TAKING CARE OF ONESELF AND OTHERS: "ETHNIC ENTREPRENEURS" IN BERLIN

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ABSTRACT

The dissertation examines what is concealed and revealed with the concept of "ethnic entrepreneurship" in Berlin, relying on the practices of "immigrants" from Turkey. It aims to explain how we got to the point, in which this way of doing business, i.e. "ethnic entrepreneurship" in Berlin, became capable of being discussed and regarded as a fundamental part of entrepreneurship. What is at stake is the discontinuity - acceptance of "ethnic entrepreneurship" - rather than trying to fit this singular event into a "natural flow of history". This does not mean that it sets up chance over plans or principles in the interpretation of history. Rather, it intends to demonstrate that it was not self-evident that "ethnic entrepreneurship" as such had been accepted, defined and still has been discussed as a fundamental part of entrepreneurship. Hence, I look at the conditions of possibility by seeking out once again the links, which at a particular moment shape the self-evident.

Deriving from these goals, the dissertation falls into two parts. In the first part (genealogical), I concentrate on the historical features of "ethnic entrepreneurship" and examine conditions of possibility in Berlin under the context of Germany and its regional and global relatedness through the rationalities and imaginations of policy makers, experts and intellectuals. In the second part (anthropological), I explore first, the ways individuals perform themselves as "ethnic entrepreneurs"; second, rules for this way doing things; and third, truth claims (as sphere where true and false can be carried out) for providing reasons about this way of doing things.

Within this structure, the contribution of this dissertation can be drawn from its objective: to challenge the binary opposition that emerges through the ways of thinking about "ethnic entrepreneurship". This binary opposition is between the pre-given or essentialist understanding of culture and the "welcoming" understanding of diverse cultural co-existence. The former, associating a space with a pre-given identity and considering its existence as

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natural, underlines particular ways of doing businesses by “ethnic entrepreneurs”. The latter, acknowledging socially embeddedness of these economic agents in laws, institutions and social networks, “welcomes” their richness, potential and competence in doing business with the concepts like “transcultural”, “multicultural” and “cosmopolitan”. As a result of this relation, one enters a domain, where conflicting true and false discourses can be produced and re-produced in a continuous manner through exclusive (the former) and inclusive (the latter) formulations of culture. It is this binary opposition that I aim to challenge, since both of these approaches function as mechanisms of othering. By pursuing this goal, the dissertation illustrates how human beings have been turned into subjects, i.e. “ethnic entrepreneurs”.

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DEDICATION

To my grandmother, Emine Özen

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CHAPTER 1

INTRODUCTION

Sei Gast, Sei Willkommen, Sei Berlin
(Senate of Berlin, *Sei Berlin Campaign*)

February, 2006. It is late afternoon in Berlin and I am on my way to one of the meeting points of Kreuzberg and Neukölln: *Schönleinstrasse*, two blocks south of *Maybachufer*. Cars of subway line *U8*, the dark blue colored subway line that travels from Wittenau in the north to Hermannstrasse in the south, are once again crowded with people, who are talking, sleeping, reading, sitting, eating, flirting, thinking, forgetting, staring, drinking, standing, observing, calling or dreaming. They disregard the small flat screens above their heads, because the video system is broken. Usually, one can watch news headlines from Berlin's most popular tabloid *B.Z.*, weekly weather forecasts and advertisements of local businesses on these screens. When this video system is broken, screens are either totally black or frozen with an image that is set up to indicate the error.

Today, however, the screens are not black. They cycle between three pictures. First, they display one motto which covers the whole screen in different fonts going in all directions. Then, the motto is replaced by two others, which also have different fonts going in all directions. Lastly, the three mottos appear in the same picture, all in the same font, and do not move: *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz* (Against Racism, Against Xenophobia, Against Intolerance).

This campaign runs under the supervision of the European Commission against Racism and Intolerance (ECRI) that was established by the Council of Europe. A long but useful self-description summarizes its goals and methods:

> It is an independent human rights monitoring body specialized in questions relating to racism and intolerance. It is composed of independent and impartial members, who are appointed on the basis of their moral authority and recognized expertise in

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> dealing with racism, xenophobia, anti-Semitism and intolerance... The work is taking place in 5 year cycles, covering 9/10 countries per year. The reports of the first round were completed at the end of 1998, those of the second round at the end of 2002, and those of the third round at the end of the year 2007. Work on the fourth round reports started in January 2008. The working methods for the preparation of the reports involve documentary analyses, a contact visit in the country concerned, and then a confidential dialogue with the national authorities. *ECRI's reports are not the result of inquiries or testimonial evidences*. They are analyses based on a great deal of information gathered from a wide variety of sources. Documentary studies are based on an important number of national and international written sources. The in situ visit allows for meeting directly the concerned circles (governmental and non-governmental) with a view to gathering detailed information. The process of confidential dialogue with the national authorities allows the latter to provide, if they consider it necessary, comments on the draft report, with a view to correcting any possible factual errors, which the report might contain. At the end of the dialogue, the national authorities may request, *if they so wish*, that their viewpoints be appended to the final report of ECRI. (ECRI 2009, 5), [Italics are mine]

This self-description seems to contradict itself in the statement: *ECRI's reports are not the result of inquiries or testimonial evidences*. By implying that these findings cannot be proved because they were not seen, experienced or examined, ECRI tries to get rid of a "responsibility" that can be put on the state authority in Germany. Yet involvement of experts like Barbara John[i] into ECRI can at least verify the significance of these findings for policy makers in Germany, even if they do not desire their viewpoints to be added on.

Despite these reservations, one can acknowledge looking at small flat screens on the *U8* that state authority in Germany is working *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz*. Its target groups, as classified by the ECRI report, are "Jewish communities, Muslims, Turkish community, Black community, Roma/Sinti communities, migrants, asylum-seekers, refugees, other beneficiaries of international protection and persons with tolerated status" (Ibid., 31-44). To work *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz* is one of the "responsibilities" of state authority because of the legally binding force of basic rights. This is clearly defined in the Basic Law of Germany, which has been adopted by *the German people in the exercise of their constituent power* under the *Conscious of their responsibility before God and man, inspired by the determination to promote world*

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peace as an equal partner in a united Europe (Deutscher Bundestag 2010, 11):

> Article 1
> [Human dignity – Human rights – Legally binding force of basic rights]
> (1) Human dignity shall be inviolable. To respect and protect it shall be the duty of all state authority. (Ibid., 13)

Therefore, various methods have been implemented to develop a milieu in Germany that is *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz*. One of these methods is to intensify the initiatives that can prove the existence and power of values opposing racism, xenophobia and "intolerance", i.e. existence and power of "tolerance" in the fight against "intolerance". This method has been promoted through projects, campaigns, exhibitions and seminars.

For example, *Sei Gast, Sei Willkommen, Sei Berlin* (Be Guest, Be Welcome, Be Berlin) - as one of the distinctive maxims of the *Sei Berlin* (Be Berlin) campaign - can be seen within the framework of these promotions.

> Berlin has come to be a symbol for change across the world. The peaceful revolution and the fall of the Berlin Wall 20 years ago inaugurated a period of profound transformation. It marked the end of both the Cold War and the division of Europe. East and West grew closer, and they also began to grow together… For example, Berlin has been able to attract more than 1.7 million inhabitants since the Wall came down and has also adapted its economic structures so as to allow for the flourishing of pioneering, knowledge-based industries…Today, Berlin is one of the most important political centers in Europe. But it is also a cosmopolitan cultural metropolis, an attractive location for businesses and a leading scientific region. And, of course, it's one of the world's most beloved city destinations among tourists…Twenty years after the fall of Wall, Berlin remains a city of change…Indeed, the city's most important strength can be found in the variety it offers – in its *open-minded and tolerant environment*. Today, Berlin is a city that is bustling with life and a place whose energy attracts people from all over the world. Berlin is the place to be. (Wowereit, 2010, 3), [Italics are mine]

As signified by Klaus Wowereit, the governing mayor of Berlin from SPD (*Sozialdemokratische Partei Deutschlands*- Social Democratic Party of Germany) since 2001, the objective of the *Sei Berlin* campaign is to strengthen the city's positive image on national and international levels and promote it as a great place to live, do business and visit. Launched in the spring of 2008 by the Senate of Berlin, this campaign has organized events

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such as sending 1,358,205 letters to all households in Berlin inviting residents of all ages to write their personal success stories and then submit them to *Sei Berlin* on a postcard or upload them directly to the official website.

Other events organized by the Senate of Berlin include: *Longest Love Letter to Berlin*, *1,000 Good Reasons to Love Berlin*, the publication of the official campaign book, *Brandenburger Tor*'s participation in Festival of Lights, 5,000 people carrying red glow sticks on *Gendarmenmarkt* to create a living reproduction of the *Sei Berlin* speech balloon, *Berlin Days* in New York, Istanbul, Copenhagen, Brussels and Shanghai, advertisements on video boards (e.g. during Hertha BSC's football games at Olympic Stadium), billboards, columns and subways, a short film with a message of *Machen Sie Mit!* (Join in!), and *Sei Berlin* boxes and shops with various goods inside. However, this "welcoming" of "guests" to the "tolerant" environment of Berlin is not carried out only with the initiatives of Senate of Berlin.

Focusing on aspects of change, business, art, history, science and daily life, the *Sei Berlin* campaign gets its main support from *Berlin Partner GmbH*. Briefly, it is a company that offers business promotion, resettlement, foreign trade support and capital city marketing. Although it has been working under its current name since July 2005, three companies (established in 1950, 1977 and 1994) contribute to its historical background. First, BAO (*BAO Berlin International GmbH*) was set up as a 70 percent subsidiary of IHK Berlin (*Industrie und Handelskammer zu Berlin*- Chamber of Industry and Commerce). Running first under the name of *Berliner Absatz-Organization GmbH* and then *BAO Berlin- Marketing Service GmbH*, BAO was working against West Berlin's insular situation, initiating sales of goods produced in West Berlin for the West German market and trying to construct economic attachments between West Berlin and the rest of Federal Republic. Second, Berlin Senate Department for Economics formed WFB (*Wirtschaftsförderung Berlin GmbH*- Berlin

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Business Development Corporation) to extend the city's business promotion activities and attract investors with an emphasis on their needs and interests, in 1977. Third, in order to develop professional methods for marketing the city, 17 large companies entered a public-private partnership with the Senate of Berlin and created PfB (*Partner für Berlin*- Berlin Partners Capital City Marketing) in 1994.

Nevertheless, being dissatisfied with this divided picture of Berlin's marketing, policy makers, experts and representatives of large companies decided to unite these three companies. The initial step towards a central unit came in September 2003 with the merger of BAO and WFB under the name of WFBI (*Wirtschaftsförderung Berlin International GmbH*- Berlin International Business Development). The second step was accomplished when WFBI and PfB became united under their current name, *Berlin Partner GmbH*. Forming a unique case within Germany, the company reflects its influence on the political, economic, social and cultural spheres of Berlin through a list of stockholders (IBB -*Investitionsbank Berlin* subsidiary bank of Federal Land of Berlin- 45%; PfB *Holding*[ii] *Gesellschaft für Haupstadt-Marketing mbH* 40%; HWK -*Handwerskammer Berlin*, Chamber of Handicrafts- 5%; IHK Berlin 5%; and UVB -*Vereinigung der Unternehmensverbände Berlin Brandenburg*, Confederation of Business Associations of Berlin Brandenburg- 5%) and supervisory board (the heads of Berlin Senate Department for Economics, Technology and Women's Issues; IBB; IHK Berlin; HWK Berlin; UVB; *Berliner Volksbank*; Ministry for Economy and European Relations from the State of Brandenburg; *IG Metall* -Industrial Union of Metalworkers; *Salomon Oppenheim GmbH* –private bank; *Astra DeTeWe GmbH*; and *BVG Berliner Verkehrsbetriebe* –Berlin Transport Authority).

Consequently, what becomes apparent in this portrait (i.e. *Sei Berlin* campaign and hence relations between Senate of Berlin and *Berlin Partner GmbH*) is an initiative not only for the marketing of Germany's capital city in terms of business, science, history and art, but

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also for the promotion of her "tolerant" environment in daily life, upon which all those aspects can be built and maintained and can flourish. In this sense, one can clearly detect the intense collaboration of public and private institutions as a "responsibility" to work *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz*. Claiming to be and acting within the capacity of the "host"[iii] (*der Wirt, Gastgeber, Hausherr, Gastronom*), these institutions symbolically send an invitation (as the motto suggests): *Sei Gast*. Basically, it is a "welcoming" to the "guests"[iv] of Berlin. "Guests" are "welcome" to Berlin, because of Berlin's "tolerant" environment.

Yet these acts of "tolerating"[v] and "welcoming"[vi] make one wonder about their limits. How far can the host tolerate its guests? What is not tolerated at all? Is everybody welcome to *Join in*? If not, what are the limits of this welcoming, e.g. who is less welcome to *Join in*? What does the host tell the guest who is not tolerated? For how long are they welcome? Is there a distinction made between the guests?

Even though his comments in *Lettre International*, a German quarterly, were not prepared in advance to shed light on all of these questions, Thilo Sarrazin's reflections can be taken as a reference to illuminate the limits of "welcoming" and "tolerating". Having a doctorate in economics and being a member of the SPD, Sarrazin worked in high-ranking positions in the Federal Ministry of Labor and Social Affairs, the Federal Ministry of Finance, TLG Treuhandliegenschaftsgesellschaft mbH and Deutsche Bahn AG, until he became the Senator for Finance for the Federal State of Berlin (2002-2009). Lastly, he was working as a member of the executive board of the Deutsche Bundesbank before his resignation in September 2010.

In his famous interview[vii], Sarrazin starts explaining the developments in Berlin since 1989 (2009, 197-9). He addresses the depletion of crucial enterprises (while reminding the viewer of its consequences for the structure of population as seen in the uncompensated loss

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of people with Jewish background between 1933 and 1945), the problems deriving from a subvention dependent economy, the enormous debts since re-unification, the mistaken calculations for the increase of inhabitants (which was expected to rise to 5 million people due to re-unification, but in fact did not even reach 3.5 million people), the boom and then fall of the construction sector, the positive effects of capital city position in comparison to the shared balance between Hamburg, Köln, München and Frankfurt (similar to the centralization trend in the USA through the increase in population density in coastal cities) and the promising potential of Berlin.

In relation to this last point about Berlin's potential, Sarrazin introduces those who cannot be "tolerated" or "welcomed" referring to "immigrants," in general, but especially "Turks" and "Arabs" (Ibid.). His reason for this assessment is that unlike other groups (e.g. "East Europeans", "Ukrainians", "White Russians", "Polish", "Russians", "East Asians", "Chinese", "Indians", "Vietnamese"), "Turks" and "Arabs" are not willing to integrate.

"Integration", underlines Sarrazin, is a service for those who can "integrate" themselves and those who do not "integrate" themselves are not acceptable (Ibid.). This unwillingness to "integrate" might be exemplified with their personalities, mentalities and situations such as not having a proficient level of German, having low rates of school graduation, "Turkish girls" in Berlin marrying "Turkish boys" from Anatolia, mothers being unable to speak German, Turkish boys not listening to their female teachers because of their culture, depending on the social services of the German state, rejecting the German state and culture, not taking responsibility for their children's education, raising young girls to wear headscarves, maintaining the aggressive and atavistic mentality of the Turkish state, having a higher birth rate that outpaces that of "Germans" and aims to take over Germany, leaving behind twenty tons of mutton leftovers in the Turkish grill festival that had to be removed from *Tiergarten* by the city's cleaning teams, not taking part in any kind of labor force,

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contributing to Germany's "social problem", and generating *türkische Wärmestuben* (Turkish warm rooms, provided for the homeless). In other words, particular "immigrant" groups ("Turks" and "Arabs") do not carry out their obligations for "integration". The extreme costs of this "irresponsibility" cannot be tolerated, since Germany has to cope with other challenges in the next decades. As Sarrazin formulates it, "anyone, who can do and aims to do something at our place/ in our house is welcome, but the rest should go somewhere else" (Ibid., 201) [Translation is mine].[viii]

As a result, whether or not he is speaking spontaneously, provocatively, statistically, consciously, scientifically, whether or not he is the deranged, fantasist, elitist, Islamphobist, voice of common sense, whether or not he is keeping to the facts and truth, whether or not he is consistent with his own arguments, whether or not he is speaking in the name of institutions (e.g. SPD, Federal Ministry of Labor and Social Affairs, Federal Ministry of Finance, *TLG Treuhandliegenschaftsgesellschaft mbH*, *Deutsche Bahn AG*, Department of Finance for the Federal State of Berlin and *Deutsche Bundesbank*), whether or not he is taking support from different parts of the society in Berlin/Germany, Sarrazin makes clear the limits of "welcoming" and "tolerating". Still, a set of questions remains ambiguous concerning the conduct of "welcoming" and "tolerating", in spite of Sarrazin's comprehensive arguments.

This is a set of questions about the target group of "toleration", i.e. "tolerated" in relation to the "tolerant" and "not tolerated". In this relation, the "host" by acquiring the pre-given authority for that particular place (Berlin and/or Germany as a whole) allows only the existence of certain types of "guests". Therefore, those that are "welcome" to *Join in* need the approval of their "host" continuously, in order not to be declared as "not tolerated", while the "rest" are subject to be declared as "not tolerated". In other words, the "host" defines, categorizes and values the norms that have to be owned or gained by the "tolerated". These

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are the norms that can be gained throughout a guest's stay – and even some of those from "not tolerated" groups might attain the status of those "tolerated" if they try to adopt these norms. But there is no guarantee given by the "host" that the "tolerated" can always hold this position. Rather, there is a place for negotiation, maneuver or compromise, in which one has to practice the values attributed to the "tolerated" so that the "host" can treat him/her with "toleration". Then he/she can be "tolerated" until the misuse of values attributed to this position causes him/her to be "not tolerated".

But, what are these values, through which not only the "host" expects from the "guests" but also the "guests" take responsibility for themselves? What do these values conceal and reveal? Can these values be written, erased and then re-written by the "host" and "guests"? Or, do they remain unaffected by transformations and challenges? What are the features that lead to the emergence and development of these values? How are these values practiced? Is there an irreplaceable way of practicing them? How do they create a distinction between the "guests"? After practicing these values consistently, does the "tolerated" have the chance to become the "tolerant"?

To explore these questions, I have selected for study the "ethnic entrepreneurship" in Berlin, as one of the examples of the act of "toleration" that emerges between "tolerant", "tolerated" and "not tolerated". Therefore, in this monograph, I will examine entrepreneurial practices of "immigrants" from Turkey who are living in Berlin.

1.1 Notes on Method

My aim, then, is to tell a story, to position and understand a plot in explaining how we got to the point, in which this way of doing business, i.e. "ethnic entrepreneurship" in Berlin, became capable of being discussed and regarded as a fundamental part (mostly in a strange, peculiar, unusual and abnormal method) of entrepreneurship. This is a way of investigating the self-evident, as well as the debates and practices surrounding it. This is a story, to quote

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Foucault,

> …of demonstrating its precariousness, of making visible not its arbitrariness, but its complex interconnection with a multiplicity of historical processes, many of them recent date…not of digging down to a buried stratum of continuity, but of identifying the transformation which made this hurried transition possible. (Foucault 1991, 75)

What is at stake is the discontinuity – acceptance (emergence and development) of "ethnic entrepreneurship" as a fundamental part of entrepreneurship. In this context, I do not try to fit this singular event into a "natural flow of history". What I would like to illustrate is an understanding that engages with the distinctive features of an event, which

> …is not a decision, a treaty, reign, or a battle, but the reversal of a relationship of forces, the usurpation of power, the appropriation of a vocabulary turned against those who had once used it, a domination that grows feeble, poisons itself, grows slack, the entry of a masked "other". The forces operating in history do not obey destiny or regulative mechanisms, but the luck of the battle. They do not manifest the successive forms of a primordial intention and their attention is not that of a conclusion, for they always appear through the singular randomness of events. (Foucault 1994, 581)

This is not setting up chance over plans or principles in the interpretation of history. Rather, contribution of this study is only to demonstrate that it was not self-evident that "ethnic entrepreneurship" as such had been accepted, defined and still has been discussed as a fundamental part of entrepreneurship. Similarly, it is a way of increasing causes by seeking out once again the links, which at a particular moment shape the self-evident.[ix] As a result, this is a historical investigation of societal developments happening at the intersection of two axes, i.e. time and place.

In telling this story, practices of "ethnic entrepreneurship" in Berlin constitute my point of departure and the ground of my ethnographic research. By pursuing practices, what I would like to indicate are, first, the ways individuals present themselves; second, rules for this way of doing things; and third, truth claims (as a sphere where true and false can be carried out) for providing reasons for this way of doing things. This emphasis on practices derives from an understanding that they are "being understood here as places where what is

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said and what is done, rules imposed and reasons given, the planned and the taken for granted meet and interconnect" (Foucault 1991, 75). Subsequently, these practices, by discovering connections, are going to bring into analysis a number of things, where:

> One isn't assessing things in terms of an absolute against which they could be evaluated as constituting more or less perfect forms of rationality, but rather examining how forms of rationality inscribe themselves in practices or systems of practices, and what role they play within them, because it's true that 'practices' don't exist without a certain regime of rationality. (Ibid., 79)

At this point, however, one should be careful and keep in mind the role of historical analysis in the investigation of "ethnic entrepreneurship". That is to say, it is not the practices and regime of rationalities that urge me to develop a historical analysis. Rather, it is the historical features that allow me to examine the mutual functioning of practices and regime of rationalities in the constitution of "ethnic entrepreneurship". For example, in order to understand the entrepreneurial practices of an "immigrant" woman, who attended seminars of an institution that largely promotes the entrepreneurship of "immigrant women" (chapter 5), it was not illuminating to start with her life story in Turkey and Germany and forms of rationality in this specific institution. On the contrary, one had to begin with the historical analysis of the enterprise culture in Germany, waves of "migration" from Turkey to Germany, continuities and discontinuities in the urban fabric of Berlin, and formulations of intellectuals, experts and policy makers on "ethnic entrepreneurship" in the US and "Europe".[x] Thus, a historical analysis has set up the reasons of existence of such a meaning of practices and regimes of rationalities. In terms of the objectives of the study, this can be clarified when one looks at the texts and discussions on "ethnic entrepreneurship" in Berlin.

Briefly, the literature on "ethnic entrepreneurship" in Berlin has been dominated by two interrelated explanations (since late 1980s but especially beginning of 1990s).[xi] First, it is the approach that privileges the structural reasons of Germany. At this point, explanations try to put down the subject to the "most inevitable" mechanism or process. One can also consider

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this as an attempt to point up to the "most unitary" or "necessary" structure available. For example, having their legitimacy from an economic mechanism, some explanations provide truncated reasoning (through their statistically supported research) by claiming that the major motivation for "immigrants" in starting up their businesses is the general trend of unemployment in Germany's and Berlin's labor markets. Similarly, other explanations in this approach base their arguments of the "most inevitable" on legal principles like the Foreigners' Law, which restrict "immigrants" in setting up their own businesses. Through this "veridiction", they underline the ultimate trend of liberalization since 1980s as one of the crucial reasons for the growth of entrepreneurship among "immigrant" populations. By and large, these structural reasons are related to the welfare systems and economic models (referring to the "European" based characteristics). This order of explanation is defined as the counterpart trend of US based cases, which are determined by other extra-historical mechanisms.

Second, it is the approach that intends to take a critical position to the essential understanding of culture. This essentialist understanding of culture refers to the "ethnic resources of immigrants" as the fundamental motivation for starting up their businesses. At this point, the second approach, critically, asserts the socially constructed meaning of cultural differentiation and its connotation to the pre-given idea of a nation. In order to prove their arguments, these explanations try to designate the examples, in which the competence of "immigrants" that set up their businesses can be described. This competence of "immigrants" has been defined and discussed in several texts with different notions such as "transcultural", "multicultural" or "cosmopolitan" forms of entrepreneurship. This competence can exist in oneself or be gained throughout one's experiences. Although these notions sought to underscore diverse characteristics of "immigrants", their common point was to challenge the bounded conceptualization of culture.

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In this framework, one expects to see the point that I would like to bring into discussion, and which has not been touched upon yet. To put the matter clearly: Where do I locate this study in the interpretation of an interpretation? First, I would like to answer this question by recalling Foucault, in his argument on the incompleteness of interpretation in Nietzsche:

> the farther one goes in interpretation, the closer one comes at the same time to an absolutely dangerous region where interpretation not only will find its point of return but where it will disappear as interpretation, perhaps involving the disappearance of the interpreter himself. The existence that always approached the absolute point of interpretation would be at the same time that of a point of rupture. (Foucault 1994, 274)

Second, depending on this refusal of beginning, I would like to reflect on my points of rupture from these two interrelated approaches on the field of "ethnic entrepreneurship" in Berlin.

In relation to the first approach, this monograph does not propose to look for a "most unitary," "necessary," "inevitable," or "extra-historical" structure/mechanism in the interpretation of "ethnic entrepreneurship" in Berlin. On the contrary, it is meant to question the appearance of that particular "inevitable" mechanism in the emergence and development of "ethnic entrepreneurship". That is to say, I would like to bring into discussion certain discontinuities.

For instance, regarding the analysis on the unemployment trend in the labor market, why is it that "immigrants" from Turkey, but not from the "German" unskilled labor force, are supposed to have a motivation for "entrepreneurship"? Is the entire "German" population so qualified that they do not have the risk of losing their jobs and choosing entrepreneurship as a survival strategy? Why is it seen at this particular period as a survival strategy? Is this the first time that the "German" labor market is going through an unemployment problem so that motivation has emerged on the side of "immigrants"? If so, why does "ethnic entrepreneurship" enter as a code to mean methods of conducting business or manners in

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presenting oneself? If not, what are the historical connotations of "ethnic entrepreneurship" and why is it specifically seen as a motivation once again? Since there can be strategies like receiving unemployment assistance from the state or working in part-time jobs or in the black market, why has entrepreneurship been promoted as the motivation of a particular population, which is mostly named the problem group in terms of language, education, crime, violence and integration? How does the term *Gastarbeiter* evolve to the "social problem" and at the same time to the "entrepreneur" in the case of "immigrants" from Turkey?

Additionally, I would like to propose other ruptures regarding the trend of liberalization in analysis of the first approach. If there was a possibility of liberalization, why did it come to surface specifically at this time? What were the policy makers waiting for to make this attempt? What were they not able to forecast until the 1980s? And what has changed since the late 1980s? Does this mean that policy makers like Helmut Kohl and Gerhard Schröder are more liberal than one of the founders of German Ordo-liberalism, Ludwig Erhard? What are the boundaries of this liberation concerning "immigrants"? If we can talk about a trend of liberalization in the Foreigner's Law, which concerns other "immigrant" groups as well, why did it function as a motivation above all for "immigrants" from Turkey? Why did this motivation, guided through the trend of liberalization, work particularly through entrepreneurship, but not through other job alternatives?

Thus, unlike this first approach (and its structural pillars), I would like to present the particular collections of practices in the emergence and development of "ethnic entrepreneurship" in Berlin, rather than dealing with the domination of one or two tendencies. In a way, by proposing an understanding on this particularity among a certain number of possibilities, I would like to trace how this strange notion has made its place at the heart of texts, discussions and daily life experiences.

In addition, in relation to the second approach, this monograph neither seeks out a

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notion to describe the "competence of immigrants", nor tries to find the best fitting concept among the given ones. Without doubt, the following chapters are meant to challenge the pre-given understanding of culture, ethnicity and nation, as it was done to a certain extent in this second approach. Yet, the way of claiming this challenge will be the most essential element of differentiating this study from the previous and ongoing attempts in the field. The rule of thumb is simple.

The way of confronting a pre-given understanding of culture, ethnicity and nation by promoting concepts like "transcultural", "multicultural" or "cosmopolitan" forms of entrepreneurship allows for the creation of a counterpart and generates a ground, in which it can only exist in a binary opposition with its other, i.e. pre-given understanding of culture. In this sense, asserting the "competence of immigrants" becomes another way of locating their particularity. It does not have an exclusionary nature as it emerged in the pre-given understanding of culture. On the contrary, it functions through the richness of this form of entrepreneurship, e.g. its adaptability to different circumstances, flexibility, capacity, strategic force or potential in mobilizing various resources. It works through an inclusive nature. This is an inclusive nature to the extent that possible social, economic and political benefits can be brought into use through this form of entrepreneurship. Even at the moments in which a minimum amount of benefit is extracted, this form of entrepreneurship proves the possibility that co-existence can occur between diverse cultural forms in a "tolerant" environment and the attempts of "immigrants" to undertake something. These possibilities constitute the codes of "integration" and taking "responsibility". The richness of this form of entrepreneurship does not have to be existential, unlike the pre-given understanding of culture. It can be gained through daily practices. Hence, it is this beneficiary function that makes it particular and respected.

As long as the explanations on pre-given understanding of culture intend to produce

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true discourses to find, justify and provide reasons and cases for the ways of doing things ("ethnic entrepreneurship"), this second approach will try to falsify it and attempt to prove its counterpart through these concepts ("transcultural", "multicultural" or "cosmopolitan"). This relation urges us to enter a domain where conflicting true and false discourses can be produced and re-produced in a continuous manner. And similar to the relation between intolerance and tolerance (the latter fights against the former), these different concepts fight against their supposed other. It is a fight between an essentialist conceptualization of culture and a welcoming of diverse cultural co-existence. Regarding the objectives of this study, it is this binary opposition that I would like to challenge.

The main target of this challenge is the form of relation that remains to be the dominant and unchallenged in readings of "ethnic entrepreneurship" in Berlin, especially considering "immigrants" from Turkey. This is the point, where the relation between "tolerant" and "tolerated" has been defined and re-defined continuously. It is also this relation that could enable me to reflect on the silences of a pre-given understanding of culture and welcoming understanding of diverse cultural co-existence, because of two reasons.

First, it is in the act of toleration that the "tolerant" asserts its superior position, which could determine the management of individuals or guide them to certain ends. Second, it is in the act of toleration that the "tolerated" engages with the performance of himself/herself to reach into a condition of respected, accepted, integrated values that have a contributing function (social, political or economic) to the "tolerant" environment. In fact, this relation has never existed solely in one direction. Rather, from a methodological point of view, where one questions the conditions of possibility, this relation can be seen as a contact in terms of tactics and strategies of power. As Foucault appropriately puts it:

> The history which bears and determines us has the form of a war rather than that of a language: relations of power, not relations of meaning. History has no 'meaning', though this is not to say that it is absurd or incoherent. On the contrary, it is intelligible and should be susceptible of analysis down to the smallest detail – but

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> this in accordance with the intelligibility of struggles, or strategies and tactics. (2000, 116)

But, who are involved in these struggles, strategies or tactics of power?

On the side of the "tolerant", who through a superior position tries to manage and guide individuals to certain ends ("ethnic entrepreneurship"), one can talk about different sets of institutions (public and private), policy makers and experts working directly or indirectly with each other. In Berlin, these may include, but are not limited to, departments of the Senate of Berlin, Federal State and European Union, local municipalities, political parties, IHK, HWK, IBB, Berlin Partner, universities, research and statistical institutions, non-governmental organizations, banks, employment agencies, marketing, consulting and business startup companies, business associations, projects like *Quartiersmanagement*, qualification seminars developed by experts in various fields, campaigns, exhibitions and fairs, and "immigration" related organizations. In this manner, one cannot underline one command center that combines the activities of all of these institutions, policy makers and experts. In addition, it would not be possible to indicate a homogenous way to manage, guide and promote individuals in terms of "ethnic entrepreneurship". It is more about making use of different means to achieve "ethnic entrepreneurship".

On the side of the "tolerated", those who are engaged in promoting themselves as "ethnic entrepreneurs", one can talk about a certain population, e.g. in this monograph "immigrants" from Turkey that are running their businesses in Berlin. Since I will explore this particular group throughout the following chapters, I would now like to make some small notes about this group to indicate why it is crucial to reflect on particular historical societal developments within a certain number of possibilities.

To begin with, the concept "ethnic entrepreneurs" is used interchangeably with "immigrant entrepreneurs", "entrepreneurs with immigration background (origin)", "entrepreneurs without a German background (origin)" and "entrepreneurs with a foreign

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background (origin)" not only by institutions, policy makers and experts but also by the "ethnic entrepreneurs" themselves.[xii] Although a detailed analysis will be made in the following chapters, one can keep in mind that the concept is used in reference to a population which does not belong to the category of "German". Even if the population is qualified to belong to the "German" what is at the heart is the "immigration background".

To put things more simply, one can think that a group of people immigrated (at any given time) to Germany (for various reasons) and have been running their own businesses. At this point, however, the picture gets a bit complicated due to the possible connotations when used by institutions, policy makers, experts and "ethnic entrepreneurs". An illustration can be given from the statistics and reports of IHK Berlin.

In gathering its data, IHK Berlin considers citizenship of an entrepreneur as the "origin" of her/his company. In terms of its members of *auslaendischer Herkunft* (foreign origin), IHK Berlin shows that the top ten entrepreneurial groups are those from Turkey (6.533), Poland (6.294), Vietnam (1.777), Bulgaria (1.583), Italy (1.268), Russia (1.168), Austria (1.148), Serbia and Montenegro (805), Great Britain (763) and Ukraine (727), relying on the statistics of 2009 (IHK Berlin 2010a, 36). These numbers are also presented through *Herkunftregion* (region of origin), which shows that "Europe" is represented far more than regions such as Asia, America, Africa, Australia/Oceania (Ibid.). Still, the category of "Europe" remains ambiguous.

It is this feeling of ambiguity that IHK Berlin refers to in a distinction made by the Office of Statistics (*Amt für Statistik Berlin-Brandenburg*). This is made to differentiate between countries of European Union and *Sonstiges Europa* (other Europe), to break the designation "Europe" into smaller categories and hence to provide a clarification for the non-German population of Berlin within different understandings of "Europe" (Ibid., 18).[xiii] That is to say, one can clearly see the records kept on "ethnic entrepreneurs" in Berlin according to

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their regions of origin, divisions in formulations of these regions and their country of origin. Moreover, in the annual report, one can have an idea on the companies that are registered in IHK Berlin and governed from their country of origin, e.g. Turkey (678), Austria (510), Russia (447), Israel (307), Denmark (291), Great Britain (264), China (250), Italy (246), Netherlands (217) and Poland (208) (IHK Berlin 2010b, 79).

Despite this meticulous documentation of "ethnic entrepreneurship" in Berlin, there are various points that can still open spaces of maneuvers for the "ethnic entrepreneurs" themselves; e.g. how is an entrepreneur that has German and Turkish citizenships, going to be recorded in IHK Berlin? What can happen, if the entrepreneur wants to register her/himself as Kurdish, Kurdish-German (German-Kurdish), Turkish-German (German-Turkish), world-citizen or as someone from Berlin (*Berliner*/*in*)?

And in spite of this complex picture, I would like to use the concept of "ethnic entrepreneurship" (keeping in mind its other usages like "immigrant entrepreneurship" and "entrepreneurs with immigration background") throughout the monograph for two reasons. First, with this concept I would like to remind the reader of, and indicate the relation between, attempts at collecting, categorizing and analyzing information on this particular group and various spaces of maneuvers that can be developed by this particular group. Second, by using the concept of "ethnic entrepreneurship", I would like to draw attention to the relation (binary opposition), between essentialist conceptualization of culture and welcoming of diverse cultural co-existence, which needs to be interrupted as one of the objectives of this study.

Another fundamental element about this population is the size of its companies and branches of economy it is involved in. In terms of the former, one can briefly argue that "ethnic entrepreneurs" in Berlin, particularly those from Turkey, have predominantly small size enterprises. But what does small size enterprise mean in the context of Berlin and

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Germany?

IHK Berlin tries to make the definition of a small size enterprise under a larger category, i.e. *Mittelstand* (middle class or small and medium size enterprise). Acknowledging the nonexistence of a legal or a statistically clear-cut definition of this category, IHK Berlin refers mainly to three institutions (Wockenfuss 2010, 1-2). First, in reference to the definition of *Instituts für Mittelstandsforschung (IfM), Bonn*, IHK Berlin accepts all entrepreneurs (having freelance jobs, handicraft businesses and any kind of commercial organization) that employ fewer than 500 persons and have an annual turnover not exceeding EUR 50 million as *Mittelstand*.

Second, IHK Berlin utilizes the differentiated definitions of the European Union (since 2005). Accordingly, there are three definitions for small and medium size enterprises: medium size enterprise (employs fewer than 250 persons and has an annual turnover not exceeding EUR 50 million or annual balance sheet total not exceeding EUR 43 million), small size enterprise (employs fewer than 50 persons and has an annual turnover and/or annual balance sheet total not exceeding EUR 10 million), and micro size enterprise (employs fewer than 10 persons and has an annual turnover and/or annual balance sheet total not exceeding EUR 2 million).

Third, IHK Berlin underlines the distinction that is made by *Bundesverbands deutscher Banken* (Federal Association of German Banks): small size enterprises with an annual turnover not exceeding EUR 500.000; medium size enterprises with an annual turnover not exceeding EUR 50 million; and large size enterprises with an annual turnover not exceeding EUR 500 million. Depending on these definitions, IHK Berlin calculates 99 percent of enterprises in Berlin as *Mittelstand*: 93,1 percent employing fewer than 10 persons; 5,4 percent employing 10 to 54 persons; and 1,2 percent employing 50 to 250 persons (Ibid., 2).

Regarding the distribution of companies according to branches of economy, one cannot talk

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about a homogenized picture for "ethnic entrepreneurs", especially for those from Turkey. According to the *Gelbe Seiten-İş Rehberi Berlin Brandenburg* (*i.e.* yellow pages that is published every year by an "ethnic entrepreneur"), these include, but are not limited to, business services (e.g. consulting, marketing and insurance), wholesale and retail trade, gastronomy, printing and media services, handicraft, döner production, different sub-sectors of construction, cleaning services and the tourism sector (2010). A similar distribution of "ethnic entrepreneurs" according to branches has been given by IHK Berlin: trade and repair of motor vehicles - 10,733, real estate and residences and other economic services - 8,651, other services - 4,745, producing trade - 4,676, hotels and restaurants - 4,209, transport and information transmission - 1,856, public services – 728, financial and insurance services – 456, agriculture and forestry/fishery – 216, and miscellaneous 43 (IHK Berlin 2010b, 37).

Even though this statistic represents all of the "ethnic entrepreneurs" (36,313) that are members of IHK Berlin without demarcating particular populations (e.g. those from Turkey, Poland and Vietnam), it is crucial to put emphasis on this systematic and careful attempt of IHK Berlin in differentiating them from the general distribution of all its members together (261,434) according to the branches: real estate and residences, other economic services - 105,205, trade, repair of motor vehicles - 62, 411, other services - 27,832, producing trade - 17,764, hotels and restaurants - 14,368, transport and information transmission - 12,506, financial and insurance services - 12,465, public services - 5,059, miscellaneous - 2,008 and agriculture and forestry/fishery - 1,816 (Ibid., 35-7).

Yet even within the preciseness of these numbers and intention of IHK Berlin to define, categorize and analyze, one can find various spaces of maneuvers for the "ethnic entrepreneurs". In this context, one of the frequently narrated stories by experts, policy makers and "ethnic entrepreneurs" themselves is about the unexpected shifts from one branch to another. For example, following the bankruptcy of her/his enterprise in a particular branch

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like publishing, an "ethnic entrepreneur" might, in a couple of months, invest her/his capital in a completely different enterprise and start up a "Kebab restaurant". Moreover, the new company might be registered under the name of one of her/his relatives for various reasons, e.g. to avoid doing business with the image of a bankrupted company, to avoid liability in terms of paying the previous dues, and to benefit from credits, incitements or regulations concerning the recent and previous companies. These maneuvers, which the "ethnic entrepreneur" performs in regard to her/his interests, create difficulties for IHK Berlin first, in keeping the up-dated statistics for distributions of "ethnic entrepreneurs" according to branches and second, in following the track of an "ethnic entrepreneur" after the declaration of her/his company's bankruptcy. Interestingly, it is also at this point that one can outline the intelligibility of struggles, which

> […] are not limited to one country. Of course, they develop more easily and to a greater extent in certain countries, but they are not confined to a particular political or economic form of government. The target of these is power effects as such…These are "immediate" struggles…They are struggles that question the status of the individual…They are an opposition to the effects of power linked with knowledge, competence and qualification – struggles against the privileges of knowledge. But they are also an opposition against secrecy, deformation and mystifying representations imposed on people…finally, all these present struggles revolve around the questions: Who are we?...To sum up, the main objective of these struggles is to attack not so much such-or-such institution of power, or group, or elite, or class but, rather, a technique, a form of power. (Foucault 2000, 329-331)

Consequently, within these struggles of power between policy makers/experts/institutions and "ethnic entrepreneurs", the study intends to explore the transformation of human beings into subjects, i.e. "ethnic entrepreneurs". And from this perspective, it is crucial for the aims of this study to look at the intersection of two techniques:

> […] technologies of power, which determine the conduct of individuals and submit them to certain ends or domination, an objectivizing of the subject; technologies of the self, which permit individuals to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immorality. (Foucault 1988, 18)

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Yet in order to focus on these struggles of power that are shaped through conditions of possibility, one has to elucidate the axes of time and place.

1.2 Intersection of Time and Place

Considering the fact that I did not have a daily life relationship with the city and its inhabitants until June 2004, what are reasons that lead me to focus on Berlin in studying entrepreneurial practices of this particular group ("immigrants" from Turkey)? Or to phrase this differently, since I do not have a personal story to fetishize about Berlin (neither on "immigration" to Germany nor on entrepreneurship) what are the features that constitute this city as the spatial center of my study? Is it an "accident" or amalgamation of "inevitable extra-historical mechanisms"?

Broadly speaking, along the lines of its methodological objectives, this study does not sign under a unitary necessity. Therefore, the features that lead to concentrate on Berlin can be formulated neither as an "accident" nor an amalgamation of "inevitable extra-historical mechanisms". Rather, these features can be seen as the parts of a story on the conditions of possibility.

Looking from this methodological perspective (and hence without an intention to fetishize Berlin in comparison to other cities in the world) one has to keep in mind the following questions to explain the features that guide me to design a story of Berlin relying on conditions of possibility: To begin with, how is it that Berlin has received and still "hosts" large number of "immigrants" from Turkey since the beginning of 1960s throughout Germany and "Europe" (regarding the periods of so-called Cold War and German reunification after the fall of the Berlin Wall)? How is it that, even though they are mostly associated with poor language and education qualifications, high unemployment, crime and violence rates, dependence on social welfare programs, high birth rates and failure in terms of "integration", this particular population does not attempt to leave Berlin and try to live in

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more “prosperous” cities of Germany? How is it that Berlin, reflecting on its urban fabric the continuities and discontinuities of German monarchy, Weimar Republic, National Socialist dictatorship, Cold War division and finally reunified Federal Republic, fails to calculate the economic, political and social costs of “integration” of this particular “immigrant” group? How is it that Berlin, referred to as a city with “multicultural,” “cosmopolitan,” or “metropolitan” characteristics, can fail to “integrate” only this particular “immigrant” population and not other groups? And then, how is it that the “ethnic entrepreneurs” of this population are indicated as one of the most essential potentials of Berlin in comparison to other cities in Germany?

At the same time, how is it that Berlin has been experiencing after German reunification one of the biggest spatial transformations of its history? How is it that Berlin, in relation to more “competitive” and “prosperous” Federal States, can obtain the most expensive urban development projects? How is it that Berlin, being one of the worst Federal States in terms of economic statistics, e.g. budget deficit, unemployment, dependence on social welfare programs and decline of industrial investors, is being promoted as one of the meeting places for small and medium size companies? How is it that Berlin, after decades of political division between the German Democratic Republic and the Federal Republic of Germany, can be declared once again the capital of reunified Germany and can reposition itself at the top of an urban hierarchy, which is historically assumed to be decentralized throughout the country?

However, this broad spatiality of Berlin highlights the struggles of power on “ethnic entrepreneurship” when one goes into the details of different neighborhoods. For example, *Sozialstrukturatlas* (Atlas of Social Structure) published by *Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz* (Senate Department for Health, Environment and Consumer Protection) serves as the quantitative analysis of all neighborhoods in Berlin according to

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factors like age, gender, family structure, education, training, dependency on social welfare benefits, unemployment, wage, poverty, type of illness, life expectancy, mortality rates, drug usage, traffic census, emergency rates, population movements and citizenship. Functioning as instruments of data gathering, these reports create a social hierarchy by depicting the "socially problematic" districts of Berlin. Interestingly, this technique of defining, categorizing and differentiating populations highlights particular neighborhoods, where "immigrants" from Turkey constitute the majority of the population (i.e. Kreuzberg, Neukölln and Wedding), as the "socially problematic" districts. These delicate reports are not only the means of calculating and representing particular groups as the consistent part of social problems, but also the reference points in the development of projects like *Quartiersmanagement* (Neighborhood Management).

Through the support of the Senate of Berlin, the European Union and the federal government, *Quartiersmanagement* carries the objectives of *Sozialstrukturatlas* to another level, by dealing with the "problems" of "disadvantaged" districts. Although these offices of *Quartiersmanagement* try to generate projects concerning the parks and playgrounds of "disadvantaged" districts, their main target is coping with certain population groups because of the "problems" like "integration, dependency on the social security system, low education and job-qualifications, crime and unemployment. "Ethnic entrepreneurs" of that particular district come onto stage at this point (chapter 6). On the one hand, they emerge as social and economic agents "responsible" for the development of social conditions in their districts. On the other hand, they appear as the only beneficiaries of the "local needs", sometimes by making use of the tools of local governments and sometimes by creating "their own methods of doing business".

One can also multiply the examples of these practices of power and struggles by breaking up Berlin into neighborhoods. For instance, how is it that an institution, which

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intends to promote the entrepreneurship of "immigrant women", is located in Kreuzberg (chapter 5)? Why is it that the experts on "ethnic entrepreneurship" predominantly take part in the projects developed by the local governments of "socially problematic" neighborhoods (chapters 5 and 6)? How is it that a business association set up by "immigrants" from Turkey has its office in Neukölln, while another business association of "immigrants" from Turkey is located in Ku'damm (chapter 7)? How is it that "ethnic entrepreneurs" get more involved with the "problems" of "disadvantaged" districts when they claim an increase in terms of their "responsibilities"? As a result, one can grasp the practices of power and struggles that are concealed and revealed with "ethnic entrepreneurship" when macro and micro spatialities of Berlin are examined through historical and ethnographical analyses.

Similar to the features that put Berlin at the spatial center of this study, one can consider a set of questions on the axis of time. In this sense, practices of "ethnic entrepreneurs" and sets of truth about these practices by experts, policy makers and the "ethnic entrepreneurs" themselves have to be examined through conditions of possibility on periodization. Or if one prefers, how is it that this particular wording has become widely used (by experts, policy makers and "ethnic entrepreneurs") since the late 1980s? How is it that this particular population did not consider "ethnic entrepreneurship" during the 1960s and 1970s? Why does it take so long for the *soziale Markwirtschaft* (social market economy), which promotes and seeks entrepreneurship in the social fabric, to open its doors to "ethnic entrepreneurship"? How is it that their motivation for entrepreneurship or intent to consider entrepreneurship as a survival strategy has come to the surface only under the conditions of this period? How is it that Berlin has experienced, alongside its transformation of re-unification, the growth of entrepreneurship among this particular population only since the late 1980s? How is it that the features of production and governance in the industrial order of Berlin have started to shift towards small and medium size enterprises during this period?

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How is it that an image of a "new" Berlin, which is trying to reposition its image in Germany, "Europe" and around the world as the capital city, collides with the image of a particular group of "immigrants" that are associated with a failure of "integration" particularly throughout this period? And how is it that the image of a "new" Berlin also promotes "ethnic entrepreneurship" in this population during the same period?

1.3 Notes on Research Techniques

At the intersection of these two axes (place and time), a note on the conduct of this study also seems to be necessary to clarify my own conditions of possibility. My relation with Berlin and its inhabitants within the scope of this study has developed through three periods: first, between June 2003 and August 2003; second between September 2005 and August 2005; and lastly since January 2008 (as I continue to live in Berlin). Throughout this period, my research documents have been composed of different resources.

Interviews were one of the research techniques that I was able to conduct during the entire process of my time in Berlin. They were carried out with "ethnic entrepreneurs" ("immigrants" from Turkey as the owners of small size enterprises, which are from different branches of the "formal economy" in Berlin and whose customers can be the individuals, companies and public/private institutions in Berlin, Germany, "Europe" and Turkey), policy makers, experts, and a few "German" entrepreneurs.

At this juncture a crucial self-reflection can be made on the methods of choosing people I spoke to. In order to conduct interviews with experts and policy makers, I had to form an extensive list of institutions (public and private) that are working specifically on or in relation to the "ethnic entrepreneurship". After forming this initial list, I tried to get in touch with a person from each institution by providing a very brief description of my study in relation to their fields of expertise.

Here, it should also be underlined that in order not to fall into a methodological trap in

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terms of defining, categorizing or analyzing "ethnic entrepreneurship" in advance, I preferred to use the wording of these institutions, experts and policy makers to develop our conversations and tried to focus on their fields of expertise rather than forcing a direct link to the subject of "ethnic entrepreneurship". This relational thinking as a way of conducting interviews did not get me away from my objective of analyzing "ethnic entrepreneurship". Rather, it allowed me to explore various possibilities on the practices and rationalities of "ethnic entrepreneurship" by following the formulations of these experts and policy makers coming from several disciplines and fields.

In my initial contacts, I was faced with two options: either I was able to ask for a specific person depending on the information I gathered about the specific institution from various brochures, advertisements, catalogs, reports, books or articles, or I was guided to a "relevant" expert or policy maker within the institution. In both of these situations, I asked for additional contacts at the end of our talk and fortunately I was directed to other persons or institutions. Although this snowball technique from time to time directed me to the same institutions and people, I was also able to find out other institutions that were not on my initial list.

On the other hand, choosing the people to talk about their practices and rationalities of "ethnic entrepreneurship" was more complicated than deciding on experts and policy makers. First, since I could not in the first place try to identify, categorize or analyze a person in reference to the notion of "ethnic entrepreneur", it had to be the person that should give me the ground to do so by situating herself or himself in relation to it. That is to say, I (as a "researcher" or an "outsider") had to rely on their formulations and wordings about themselves in all phases of our conversations. Second, since "ethnic entrepreneur" is only one of the formulations in relation to a certain category, I had to take into account other wordings used in reference to this category of entrepreneurship, e.g. "immigrant", "immigration

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background", "Turkish", "Kurdish", "Kurdish-German" (German-Kurdish), and "Turkish-German" (German-Turkish).[xiv] Also during the interviews, an unexpected wording seemed to emerge when some of the entrepreneurs tried to identify themselves in relation to Berlin. Although they underlined the notion of being a *Berliner/in* in terms of their daily life practices, after a while these formulations were interestingly linked to different stories of "immigration", "immigration background" or "origin".

Considering these two points and the lack of a single source indicating the extensive list of "ethnic entrepreneurs" in Berlin, I had to follow various methods to reach and talk to them. One of these possibilities was the membership list of certain institutions like IHK Berlin, HWK Berlin, MÜSİAD Berlin (*Müstakil Sanayici ve İşadamları Derneği*, Association of Independent Industrialists and Businessmen) and TDU Berlin (*Türkische-Deutsche Unternehmervereinigung Berlin – Brandenburg*, Turkish-German Entrepreneurs' Association). Another method to get in touch with "ethnic entrepreneurs" was their advertisements in different newspapers and magazines and in the catalogues of *Gelbe Seiten-İş Rehberi Berlin Brandenburg*. I also benefited from seminars, meetings, projects, programs and fairs of various institutions, the personal contacts of experts, my regular visits to mosques and *Cemevi* (*Anadolu Alevileri Kültür Merkezi* AAKM, Cultural Center of Anatolian Alevis), and "national", "cultural" or "religious" organizations and festivals of "immigrants" in Berlin. Moreover, during my own daily life practices I was able to develop conversations with "ethnic entrepreneurs". These unplanned ways of getting in touch with "ethnic entrepreneurs" started though conversations in different places/occasions like a restaurant, jogging tour, football match of Hertha Berlin against Galatasaray and electronic store where I got my computer repaired. Last but not least, I was lucky in the sense that most of these entrepreneurs let me talk with their personal contacts. As a result, this snowball technique enabled me to figure out not only their "close social relations", but also possibilities of

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"exceptional", "accidental" or "distant social relations".

Yet, in this monograph I do not intend to reflect on the particularities of eighty-nine "ethnic entrepreneurs" with whom I conducted several interviews at different times and places. Also, I do not try to make a generalization deriving from this ethnographic material. Rather, my aim is to underline the conditions of possibilities by picking up five out of these eighty-nine stories. Although these five stories (chapters 5, 6 and 7) can be interpreted independently, at various points they get linked to each other and to the earlier historical analyses (chapters 2, 3 and 4).

Another crucial self-reflection can be made on the question of language. The interviews with "ethnic entrepreneurs" were conducted mostly in Turkish, but from time to time the interviewees preferred to use sentences and phrases in German. On the other hand, some of the "Kurdish entrepreneurs" refused to talk in Turkish from the beginning onwards and rather wanted to develop our conversations in Kurdish. At those moments, due to my lack of Kurdish knowledge, they agreed to develop our talk in German and hence I carried out the interviews in German. Although the language of interviews with policy makers and experts was mostly German, I was also able to conduct various interviews in Turkish with those, who have "immigration background" (as favorably formulated in different contexts) from Turkey. And similar to the "ethnic entrepreneurs", these policy makers and experts often used sentences and phrases in German during our conversations. As a result, I translated the quotations in three ethnographic chapters from the original language of the interviews into English and made a few grammatical changes to better reflect the interviewees' formulations.

Places of interviews with "ethnic entrepreneurs" were not limited to their working environments. I was lucky to accomplish these interviews on different occasions, e.g. social gatherings (e.g. weddings, national and religious holidays, picnics, barbecue parties, Ramadan events), business associations, seminars, exhibitions and fairs, political and social

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campaigns; their houses; and daylong family trips. These interviews at different places and times allowed me to make extensive observations on the daily lives of "ethnic entrepreneurs".

Additionally, since I was not able to work at their enterprises to conduct a part of my participant observations, I took every possibility to visit them in their working environments. Yet reactions to these visits were not always "welcoming". At some of these visits, "ethnic entrepreneurs" asked if I wanted to become an entrepreneur at the end of my studies or not, because of the fact that I have "gathered a lot of information on how to run the things in a business". At other times, some reactions were more resentful, e.g. demanding me not to talk about details of their businesses, not to take any notes even after meeting, or to send a brief letter on the topics that I would like to talk with them in the future so that they could decide if they wanted to meet or not. In this context, all of these participant observations, which are reflected in my field notes, constitute one of the most crucial elements of my research techniques.

Moreover, I was able either to collect or to revisit textual and visual materials on "ethnic entrepreneurs" during the entire span of my time in Berlin. These materials include, but are not limited to, statistics and surveys of institutions like IHK Berlin, articles and images from different newspapers and magazines, special interviews on TV programs, reports of various research institutions like *Deutsches Institut für Urbanistik* (German Institute of Urban Affairs), credit application forms of private banks and files that were already submitted to these banks by entrepreneurs, documents of a competition on the best business ideas organized by IBB, personality tests conducted by experts on entrepreneurship on participants at their seminars, conference reports of the European Commission on "ethnic entrepreneurship", posters of "ethnic entrepreneurs" prepared for annual entrepreneurship fairs in Berlin, monthly and quarterly magazines of business associations established by "ethnic entrepreneurs", collections of exhibitions and museums and albums or files (articles

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from local newspapers; short autobiographies from edited books, recordings of advertisements and short documentaries, photos with local policy makers, family members and employees at their enterprises or various social events in Berlin, other pictures with relatives and friends taken in Turkey during their visits, scripts and outlines of failed or initial business ideas, diagrams showing weekly and monthly working plans and tasks, brochures of enterprises, awards given to their enterprises) kept by "ethnic entrepreneurs" about themselves.

1.4 Outline of the Study

By invoking the constitution of "ethnic entrepreneurs" through the stories and practices of "immigrants" from Turkey, the study falls into two main parts. While the first part, through chapters 2, 3 and 4, develops three interrelated historical accounts on the category of "ethnic entrepreneurship", the second part, through chapters 5, 6 and 7, provides an anthropological perspective and runs along snapshots from the lives of "ethnic entrepreneurs" in Berlin. Additionally, there are three interludes, which are placed before the ethnographic chapters. Each interlude seeks to introduce the following ethnographic chapter in relation to the broader framework of this study. Finally, chapter 8, relying on concluding remarks/questions, brings part one and two into play.

Chapter 2 presents the ruptures and continuities on the forms and relations of entrepreneurship in Germany. Within this extended historical analysis, I intend to add up possibilities for the emergence and development of "ethnic entrepreneurship" by considering it under the broader frame of entrepreneurship. This broader frame of entrepreneurship is discussed in reference to "Fordism and its crises" – as moments of eventalization, where true or false propositions can be found on the "German economic system" – to reflect on different spheres like employment and production relations; technological and organizational means; institutional and territorial interests, conflicts and regulations. In order to achieve this goal,

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the chapter, first of all, highlights heterogeneous and contradictory understandings and practices of entrepreneurship in different regions of Germany. Second, it portrays the connections between these regional arrangements of entrepreneurship and those incidents and policies throughout the world. Last but not least, it introduces policies, particularly from the periods of Helmut Kohl (1982-1998) and Gerhard Schröder (1998-2005), as examples of possibilities for the emergence, development and connotations of "ethnic entrepreneurship" in Germany.

Chapter 3, building upon the previous analysis, concentrates on the features of "ethnic entrepreneurship" in Berlin through a historical account of "immigrants" from Turkey. Through this historical account, it suggests neither an overarching explanation that counts for other "immigrant" groups, nor a standpoint to homogenize and fetishize the stories of this particular population. Its target is to illuminate the ruptures and legacies of Berlin's history that have directed them to entrepreneurship. Accordingly, I lay emphasis on the possibilities of "ethnic entrepreneurship" in the light of three symbolic events: construction of the Berlin Wall (August 1961), ban on recruiting foreign labor force (November 1973) and fall of the Berlin Wall (November 1989). These symbolic events give me the ground to interpret the relations between Berlin (in terms of its exceptions, restructurings, demarcations and impacts of reunification with references to other "German" cities) and this particular "immigrant" population (in terms of their changing images/values as its inhabitants and claims for a place).

Chapter 4 intensifies the focus of this study from "real world happenings" in Germany and Berlin – in relation to regional and global events – to "real world formulations" of experts and intellectuals. Although not all of these formulations come into effect through policies, they form an apparatus of knowledge-power on the entrepreneurial practices of "immigrants". It is through the functioning of this apparatus that true and false utterances on

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"ethnic entrepreneurship" can be made and a set of practices can be described, classified, identified and discussed under the label of "ethnic entrepreneurship". It is also through the functioning of this apparatus that the political rationality in Germany and Berlin can make references to verify their attempts of promoting and utilizing "ethnic entrepreneurship". Last but not least, it is through the functioning of this apparatus that "ethnic entrepreneurs" can develop self-reflections on themselves at different contexts. Therefore, the chapter will first examine features leading to the idea and usage of entrepreneurship in "Europe", second, formulations by social/political economists since the mid-1970s in the US and "Europe" with references to the classical interpretations of Georg Simmel, Werner Sombart and Max Weber, and third, ways of thinking that enable the political rationality in Germany to imagine this category through the body of knowledge since the late 1980s.

Unlike these three interrelated historical accounts of the possibilities of "ethnic entrepreneurship", chapter 5 displays how "immigrants" from Turkey practice entrepreneurship in their daily lives. By bringing the experiences of "ethnic entrepreneurs" on stage, the chapter does not move away from the ruptures and continuities of history. Rather, it offers a detailed example of how sets of truth and practices on "ethnic entrepreneurship" work together through the story of Nevin, who is a former participant of *ISI e.V* (*Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women) and currently the owner of a cleaning company in Neukölln. Accordingly, I analyze, first, the model of *ISI e.V.* by briefly outlining the ideas and conditions that paved the way for its foundation, its constitutive principles, fields of action and spatial organization. Then, I look at the role of experts (through the reflections of Yasemin and Burcu) on "ethnic entrepreneurship", especially in developing methods of guiding participants. Lastly, I examine how a former participant can create manners of positioning herself in relation to the category of "ethnic entrepreneurship". In this framework, the chapter indicates not only how

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the ways of imagining and experiencing "ethnic entrepreneurship" can vary but also how the "ethnic entrepreneurship" starting as a "self-help" mechanism (*ISI e.V.*) can gradually turn into a method of "helping others".

Chapter 6 continues to focus on daily lives of "ethnic entrepreneurs" through the story of Rojda, who owns a day-care service company. Rojda's story of "ethnic entrepreneurship" functions as a mechanism that "takes care of immigrants" and gets in touch with the project of *Quartiersmanagement*. In this sense, her story complements the mechanism of "self-help" (Nevin in the framework of *ISI e.V.*). *Quartiersmanagement*, which runs through the motto of "helping others to help themselves", is one of the tools of a program i.e. *Stadtteile mit besonderem Entwicklungsbedarf - die soziale Stadt* (Districts With Special Development Needs - The Socially Integrative City). It is supported by governments of the Federal Republic and *Länder* (states) and the European Funds for Regional Development of the European Union. Additionally, the project is built upon a larger program, i.e. *Moderner Staat - Moderne Verwaltung* (Modern State – Modern Administration), which is an outcome of the idea of an "enabling state" with principles that include society's potential for self-regulation, transparency of public administration and boosts in participation by the people, transition from a society based on industrial production to a knowledge-based service society, performance-oriented and cost-efficient procedures, competing approaches and responsible use of resources. In this context, the chapter explores how Rojda's "ethnic entrepreneurship" represents one of the "best-practice solutions" in the Districts With Special Development Needs.

Chapter 7 concentrates on three examples of "ethnic entrepreneurship" through the life stories of male figures (Hasan, Cemal and Emre). It brings the methods ("self-help"-Nevin and "helping others"-Rojda) of "ethnic entrepreneurship" together and provides another institutional setting that can complement the previous two chapters. The previous two

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chapters depict the institutional settings that are shaped either by the experts (*ISI e.V.* - trying to benefit from the funds and policies of the European Union and Senate of Berlin) or by the policy makers (*Quartiersmanagement* - trying to mobilize the local experts through the funds of the Senate of Berlin, the European Union and the Federal Republic). Chapter 7, however, describes the institutional settings that can be shaped by the "ethnic entrepreneurs" themselves. In this sense, the generalizing framework that would categorize these three stories is the utilization of different "networks" (or the acts of "networking") in constituting "ethnic entrepreneurship". Keeping in mind the formulations of "network" or "networking" in the literature on "ethnic entrepreneurship" (chapter 4), this chapter explores the "networks" of "Alevi-Kurdish entrepreneurs" (through the life story of Hasan), MÜSİAD Berlin (through the life story of Cemal) and TDU (through the life story of Emre).

In the last and eighth chapter, I revisit the values that "ethnic entrepreneurship" reveals and conceals in the presence and absence of these historical and anthropological accounts. I also discuss the struggles of power in the constitution of this category and pose the questions that form the starting point of this study: why and how is "ethnic entrepreneurship" promoted in Berlin?

Endnotes:

[i] Having studied political science and education economy, Barbara John was appointed by the former mayor of Berlin Richard von Weizsaecker as the Commissioner for Integration and Migration of the Berlin Senate (1981-2003). This was the first commissioner position in Berlin and Germany. In addition, she took part in various institutions as an expert/a policy maker e.g. Member of the evaluation commission for the Federal Integration Courses, Coordinator for language training for migrants at the Berlin State Administration of Education, Chair of the Berlin welfare organization "Paritätischer Wohlfahrtsverband"; Initiator of the Muslim Academy in Germany in 2004 (an institution for adult education of Muslims and on Muslim issues), Chairperson of the Board of the Federal Anti-Discrimination Agency Berlin, Deputy member on the board of the European Monitoring Centre on Racism and Xenophobia (EUMC) 1999-2005, Member of the Migration Policy Group until 2003, Project leader of the Action program "Development of Cooperation between State Authorities, Local Governments, law Enforcements Authorities, Scientific and Educational Institution, and Civil Institutes in the Sverdlovsk Region in order to increase the level of Tolerance toward religious, national and linguistic minorities", Member of the German Jury for the European Journalist Award "For Diversity-Against Discrimination since 2003, and German member of the Starting Point and of the Starting Line Group under the management of the Commission of the Churches in Europe (CCME). Being a professor at the Humboldt University (European Ethnology), Barbara John is also the co-editor of the monthly journal for immigration law and integration policies "ZAR".

[ii] Out of 160 companies, which are licensees of *Berlin Partner GmbH*, 50 of them take part in *PfB Holding* as company members (*Gesellschafter*). The supervisory board of *PfB Holding* is composed of the chairpersons of

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Berliner Volksbank and BVG (*Berliner Verkehrsbetriebe*), chief representative and director of the department Politics and Society in *Vattenfall Europe AG* (fifth-largest energy provider and the largest heating provider in Europe), chairperson of the management in *Pfizer Deutschland GmbH*, managing director of *WISTA Management GmbH Adlershof*, and president of IHK Berlin, who is also the member of board in *ALBA AG*. On the other hand, the advisory board of *PfB Holding* is composed of chairperson of *ORCO Immobilien GmbH*, communication director of *GASAG Berliner Gaswerke AG*, Secretary of the State from the Senate Department for Economics, Technology and Women, executive director of *Estrel Hotel-Betriebs-GmbH*, senior advisor of *Bombardier Transportation GmbH Zentrale*, member of board in *Pfizer Deutschland GmbH*, managing director of *WISTA-Management GmbH*, and chairperson *Studio Hamburg Berlin Brandenburg GmbH*.

[iii] According to *The Oxford Dictionary of English*, "host" means:

host[1]

***Noun*:**

1) a person who receives or entertains other people as guests.

a person, place, or organization that holds an event to which others are invited: *Innsbruck once played host to the Winter Olympics.*

the presenter of a television or radio programme.

2) *(Biology)* an animal or plant on or in which a parasite or commensal organism lives.

(also host cell) a living cell in which a virus multiplies.

3) a person or animal that has received transplanted tissue or a transplanted organ.

4) (also host computer) a computer which mediates multiple access to databases mounted on it or provides other services to a network.

5) an area in which particular plants or animals are found: *Australia is host to some of the world's most dangerous animals.*

***Verb*:**

[with obj.] act as host at (an event) or for (a television or radio programme).

mine host *(humorous)* the landlord or landlady of a pub.

***Origin Middle English*:** from Old French *hoste*, from Latin *hospes*, *hospit-* 'host, guest'.

"host[1] noun" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005.

host[2]

***Noun*:**

1) (*a host/hosts of*) a large number of people or things: *a host of memories rushed into her mind.*

2) *(archaic)* an army.

3) (*the host* or *the heavenly host*) (in biblical use) the angels regarded collectively. See also *Lord of hosts* at lord.

the sun, moon, and stars: *the starry host of heaven.*

***Origin Middle English*:** from Old French *ost*, *hoost*, from Latin *hostis* 'stranger, enemy' (in medieval Latin 'army').

"host[2] noun" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005.

host[3]

***Noun*:**

(*the Host*) the bread consecrated in the Eucharist: *the elevation of the Host.*

Origin Middle English: from Old French *hoiste*, from Latin *hostia* 'victim'.

"host[3] noun" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005. Also see, *The Concise Oxford Dictionary of the Christian Church*:

Host: A sacrificial victim, and so the consecrated Bread in the Eucharist, regarded as the Sacrifice of the Body of Christ.

"Host" *The Concise Oxford Dictionary of the Christian Church*. Ed. E. A. Livingstone. Oxford University Press, 2006.

According to *The Concise Oxford Dictionary of English Etymology*, "host" refers to:

host[1] (arch.) army XVIII; great company, large number XVII. — OF. *(h)o(o)st* :- L. *hostis* stranger; enemy, (in medL.) army; see Guest.

"host[1] " *The Concise Oxford Dictionary of English Etymology*. Ed. T. F. Hoad. Oxford University Press, 1996.

host[2] man who lodges and entertains XIII. — (O)F. *(h)oste* (mod. *hôte*) :- L. *hospes*, *hospit-*, of unkn. orig. So hostess XIII. — OF. *ostesse* (mod. *Hôtesse*)

"host[2] " *The Concise Oxford Dictionary of English Etymology*. Ed. T. F. Hoad. Oxford University Press, 1996.

host[3] †victim, sacrifice; Eucharistic wafer. XIV. — OF. *(h)oiste* :- L. *hostia* victim, sacrifice.

"host[3] " *The Concise Oxford Dictionary of English Etymology*. Ed. T. F. Hoad. Oxford University Press, 1996.

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[iv] According to *The Oxford Dictionary of English*, "guest" means:

***Noun*:**

1) a person who is invited to visit someone's home or attend a particular social occasion: *I have two guests coming to dinner tonight* | [as modifier] *the guest list.*

a person invited to participate in an official event: *he went to Moscow as a guest of the Young Pioneers* | [as modifier] *a guest speaker.*

a person invited to take part in a radio or television programme or other entertainment: *a regular guest on the morning show.*

2) a person staying at a hotel or guest house: *a reduction for guests staying seven nights or more.*

(chiefly US) a customer at a restaurant.

3. *(Entomology)* a small invertebrate that lives unharmed within an ants' nest.

***Verb*:**

[no obj.] *(informal)* appear as a temporary or visiting performer or participant in a television or radio programme or other entertainment: *he guested on the show two weeks ago.*

***be my guest*:** *(informal)* please do: *May I choose the restaurant? Be my guest!*

***guest of honour*:** the most important guest at an occasion.

***Origin Middle English*:** from Old Norse *gestr*, of Germanic origin; related to Dutch *gast* and German *Gast*, from an Indo-European root shared by Latin *hostis* 'enemy' (originally 'stranger').

"guest noun" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005. According to *The Concise Oxford Dictionary of English Etymology*, "guest" refers to:

XIII. — ON. *gestr*; superseding OE. *g(i)est* = OS., OHG. (Du., G.) *gast*, Goth. *gasts* :- Gmc. **astiz* :- IE. **ghostis*, repr. also by L. *hostis* enemy, orig. stranger, OSl. *gosti* guest, friend, and perh. by Gr. *xénos* stranger.

"guest" *The Concise Oxford Dictionary of English Etymology*. Ed. T. F. Hoad. Oxford University Press, 1996.

[v] According to *The Oxford Dictionary of English*, "tolerate" means:

tolerate

Verb [with obj.]

1) allow the existence, occurrence, or practice of (something that one dislikes or disagrees with) without interference: *a regime unwilling to tolerate dissent.*

accept or endure (someone or something unpleasant or disliked) with forbearance: *how was it that she could tolerate such noise?*

2) be capable of continued subjection to (a drug, toxin, or environmental condition) without adverse reaction: *lichens grow in conditions that no other plants tolerate.*

Derivatives: tolerator *noun* .

Origin: early 16th cent. (in the sense 'endure pain': from Latin *tolerat-* 'endured', from the verb *tolerare*.

"tolerate verb" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005.

According to *The Concise Oxford Dictionary of English Etymology*, "tolerate" refers to:

tolerant XVIII. — F. *tolérant*, prp. of *tolérer*.

tolerate

†endure; allow to exist XVI. — pp. stem of L. *tolerre*; see **-ATE**[2]. *toleration* †endurance; †permission; forbearance XVI; allowance of the exercise of religion XVII. — F. — L.

"tolerant" *The Concise Oxford Dictionary of English Etymology*. Ed. T. F. Hoad. Oxford University Press, 1996.

Also see,

maximum tolerated dose (**MTD**) The maximum dose of a substance that can be tolerated without adverse effects. This may be either a single dose or a daily intake level, depending upon the rate at which the substance is metabolized and/or excreted.

"maximum tolerated dose" *A Dictionary of Public Health*. Ed. John M. Last, Oxford University Press, 2007.

[vi] According to *The Oxford Dictionary of English*, "welcome" means:

welcome

N***oun***:

an instance or manner of greeting someone: *you will receive a warm welcome* | [mass noun] *he went to meet them with his hand stretched out in welcome.*

a pleased or approving reaction: *the announcement received an immediate welcome from childcare agencies.*

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E***xclamation***:
used to greet someone in a polite or friendly way: *welcome to the Wildlife Park.*

V***erb***:
[with obj.] greet (someone arriving) in a polite or friendly way: *hotels should welcome guests in their own language* | [as adj.] (*welcoming*) *a welcoming smile.*
be glad to entertain (someone) or receive (something): *we welcome any comments.*
react with pleasure or approval to (an event or development): *the bank's decision to cut its rates was widely welcomed.*

A***djective***:
1) (of a guest or new arrival) gladly received: *I'm pleased to see you, lad—you're welcome.*
2) very pleasing because much needed or desired: *after your walk, the tea room serves a welcome cuppa | the news will be most welcome to those whose jobs will now be safeguarded.*
3) [predic., with infinitive] allowed or invited to do a specified thing: *we arrange a framework of activities which you are welcome to join.*

(*welcome to*) used to indicate relief at relinquishing the control or possession of something to someone else: *the job is all yours and you're welcome to it!*
make someone welcome receive and treat someone hospitably.
outstay (or overstay) one's welcome stay as a visitor longer than one is wanted.
you are welcome used as a polite response to thanks.

Derivatives: welcomely *adverb* welcomeness *noun* welcomer *noun* welcomingly *adverb* .
Origin: Old English *wilcuma* 'a person whose coming is pleasing', *wilcumian* (verb), from *wil-* 'desire, pleasure' + *cuman* 'come'. The first element was later changed to *wel-* 'well', influenced by Old French *bien venu* or Old Norse *velkominn*.
"welcome noun" *The Oxford Dictionary of English* (revised edition). Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2005.

According to *The Concise Oxford Dictionary of English Etymology*, "welcome" refers to:

welcome used as voc. to express pleasure at a person's coming; hence in predicative and later (XVI) attrib. use. ME. *welcume* (XII), f. WELL[3] and *come* pp. as a rendering of (O)F. *bienvenu* (f. *bien* well, *venu* come) or ON. *velkominn* (i.e. 'wellcome'); in part repl. OE. *wilcuma*, f. WILL[1] + *cuma* comer, agent-noun of *cuman* COME. So *vb.* greet with 'welcome'. Late OE. *wellcumian*, early ME. *welcume(n)*, repl. OE. *wilcumian.*

"welcome" The Concise Oxford Dictionary of English Etymology. Ed. T. F. Hoad. Oxford University Press, 1996.

[vii] This interview created a huge controversy because of his statements on German immigration policies and "problematic" situation of "Arab and Turkish immigrants". A year after this interview, Sarrazin published his own book, *Deutschland schafft sich ab* (München: Deutsche Verlags-Anstalt, 2010) (Germany Does Away With Itself or Germany Abolishes Itself), which became Germany's number 1 hard-cover non-fiction bestseller for 2010. See, Spiegel Bestseller, *Jahresbestseller Hardcover 2010, Buchreport*, (Dortmund, 2011).

[viii] The formulation of Sarrazin in German is "Jeder, der bei uns etwas kann und anstrebt, ist willkommen; der Rest sollte woanders hingehen." (Sarrazin 2009, 201).

[ix] For a detailed discussion of this causal multiplication see, Foucault. "Questions of Method." 76-77.

[x] Throughout this study, I do not use the term "Europe" to demarcate a particular geography as such or to homogenize the histories of various countries, regions and localities under one category. Similarly, I do not aim to promote a hierarchy by emphasizing the differences within the category of "Europe" (e.g. eastern, western, southern, northern, industrial, developed and urban) or to designate it as a pre-given location of the "Europeans". Rather, I intend to remind, first, the ways of imagining, practicing and reconstructing "Europe" in relation to its "others" and second, the ways of imagining, practicing and reconstructing Germany within this "Europe".

[xi] Here, I provide a short list of major works related to the literature on Berlin (partly Germany) and "immigrants" from Turkey. Yet, I do not divide the list according to representatives of these two perspectives, since scholars mostly employ them simultaneously. Such a short list will include but not limited to Robert Pütz, "Berliner Unternehmer türkischer Herkunft: "Ethnic" Business?," *Die Erde* 134, 3 (2003), 257-275; Robert Pütz, "Marginalisierte Unternehmer: Armut als Bestandteil der Migrantenökonomie," *Migration und Soziale*

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Arbeit 27, 3/4 (2005), 202-210; Robert Pütz, *Transkulturalität als Praxis. Unternehmer türkischer Herkunft in Berlin*, (Bielefeld: transcript-Verlag, 2004); Robert Pütz, V. Schreiber and I. Welpe, "Ethnicity, Gender, and Entrepreneurship: Turkish Entrepreneurs in Germany," in *Handbook of Research in Ethnic Minority Entrepreneurs*, Leo Dana (Ed.) (Northampton: Edward Elgar Publishing 2007), 488-510; Felicitas Hillmann, "How Socially Innovative is Migrant Entrepreneurship? 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[xii] In the literature of "ethnic entrepreneurship" in Germany, the words *Hintergrund* (background) and *Herkunft* (origin) are used interchangeably.

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[xiii] Also see, Amt für Statistik Berlin Brandenburg, *Zeitschrift für amtliche Statistik*, Potsdam: Brandenburgische Universitaetdruckerei und Verlagsgesellschaft Potsdam GmbH, 2010, 29.

[xiv] For a discussion on the hypheneted identities in the context of Germany see Ayse Caglar, "Hyphenated Identities and the limits of Culture: Some methodological Queries" in *The Politics of Multiculturalism in the New Europe: Racism,Identity, Community*, edited by Tariq Modood and Prina Jane Werbner, (New York: Zed Publications, 1997), 169-185. Ayse Caglar and Levent Soysal, "Introduction: Turkish Migration to Germany - Forty Years After." *Special Issue, New Perspectives on Turkey: Turkish Migration to Germany, Issues, Reflections and Futures*, No: 28-29, Spring-Fall, (2004).

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CHAPTER 2

HISTORICAL FEATURES OF "ETHNIC ENTREPRENEURSHIP" IN GERMANY THROUGH THE "CRISES OF FORDISM"

State = political society + civil society
(Antonio Gramsci, *Prison Notebooks*)

The capital of Germany has been experiencing a particular transformation in its entrepreneurial culture since the German reunification. The distribution of labor force can be seen as a way of tracking this transformation. In this sense, the manufacturing sector, one of the most negatively affected sectors since the early 1990s, constitutes an illustrative case of the transformation in Berlin. According to the *Statistisches Landesamt Berlin*, the number of employees in the manufacturing sector decreased from 263,857 in 1991 to 115,829 in 1999 - in eastern Berlin from 92,648 to 18,666 and in western Berlin from 171,209 to 97,163 (2005, 136). Although the number of employees in the manufacturing and construction sectors continued to decline between 2000 and 2009, employment figures in the hotel, restaurant and catering sector, trade, transportation, finance and business service, and public service have kept on increasing since the early 1990s (Amt für Statistik Berlin-Brandenburg 2010, 75). However, it is not sufficient to interpret the transformation in Berlin's entrepreneurial culture only deriving from these numbers, since its features are related to certain historical societal happenings.

For example, until the middle of the 1970s, the economic efficiency throughout the world was widely believed to depend upon the performance of highly centralized, large-scaled enterprises. One of the most influential formulations of this understanding can be found in the accounts of Neoclassical Economic Theory, which emerged in the period between the 1870s and 1920s, but became more dominant in the post-war era. The theory has

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its roots in the works of Carl Menger (*Grundsätze der Volkwirtschaftslehre*, 1871), William Jevons (*The Theory of Political Economy*, 1871), and Leon Walras (*Eléments d'économie politique pure*, 1874-1877), all of which observed the growth of industrial production in the United States and "Europe".[xv]

Broadly, the large-scaled enterprises with their systematic control of all stages of accumulation, e.g. from the production of raw materials to marketing, were regarded as the embodiment of Fordism until the mid-1970s. Growing internationalization of trade, technological progress and resulting growth in markets also contributed to the dominance of these vertically integrated firms in employment and production relations. Ideally, Fordism necessitates mass production, rising incomes in relation to productivity, increased demand due to rising wages, booming profits due to full utilization of capacity and improvement of mass production techniques and equipment. In order to keep the harmony in this virtuous circle, it is argued that investment in capital goods and mechanization should fit with the increasing productivity so that the ratio of fixed to circulating capital can decrease (Jessop and Sum 2006, 59-61). In addition, the wage-earner consumption must grow parallel to the productivity level to guarantee the systematic returns to scale and to avoid crisis of under-consumption and wage-induced profits crush. However, from the mid-1970s onwards the Fordist model was associated with inflexibility and incapacity to deal with the new problems.

Although there were different national contexts in the implementation of Fordist policies, four symptoms seemed to be the most influential ones in the "crises of Fordism" (Amin 1994, 10). First, the productivity gains diminished because of the social and technical constraints in Fordism. The organization of work and longer, rigid production lines led to the widespread social disorder and various protest movements, especially in the large cities of "Europe" in the late 1960s. Second, the increase of mass production brought with it the globalization of economic flows and in turn created problems in the national economic

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management. Third, the mass production methods paved the way to the inflationary pressures and distributional conflicts and in turn increased the relative costs of collective consumption and unmanageable social expenditure. Fourth, because of the variations in consumption patterns, new demands were not satisfied with standardization, basis of economies of scale and mass production methods and hence created new use values.

This industrial reorganization is associated with various features deriving from the "crises of Fordism" and mostly named "post-Fordism". As a labor process, "post-Fordism" depends on a flexible workforce and machines, e.g. microelectronics-based information and communications technology (Jessop 1994, 257-260). These "flexible" specialization complexes are introduced as a solution to the alienation and resistance of workers, stagnation of Taylorism and mass production, competitive threats of exporters in the Third World, rising costs of "non-Fordist" service sectors, diffusion of markets for standardized mass produced goods and increasing demands on differentiated goods. The "flexible" and innovative patterns of accumulation will generate a vicious circle of growing productivity via diversified production rather than long runs of identical products, higher income levels for skilled workers and service class, demand for diversified goods and services through incomes, profits by technological and other innovation rental fees and reinvestments on flexible production equipment. This also targets an accumulation oriented to worldwide demand, a global competition and a market-led polarization of incomes.

As a result, it was argued that the enterprise system has shifted from a hierarchical, well-staffed and bureaucratic form of corporate structure into a "flexible" organization (Jessop and Sum 2006, 79-81). This form of organization tries to survive between market and hierarchy in order to respond quickly to the changing demands. The role of consultants, specialists and subcontractors, as well as strategic alliances, joint ventures and collaborative research and design partnerships gain a great impetus for the structure of an enterprise and

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establish the essence of relations between enterprises. The enterprises also aim to profit from the capacity to engineer flexible production systems, product innovation, search for technological rental fees and economies of scope. Inevitably, the competition will be regulated by non-price factors, e.g. improved quality, development of individual products and capacity to respond quickly to customers and customization. This does not diminish the position of large-scaled enterprises in competitive markets; rather, it creates a polarization of giant transnational firms, which provide a full range of goods and services in the fields of technological competence and multiplicity of smaller firms, which concentrate on niches within global, national and local markets. It was within the context of this restructuring that the promotion of the entrepreneurial spirit has become one of the objectives of policy makers in Germany.

At this point, two questions come into the stage. First, how are these historical societal happenings related to the transformation in the entrepreneurial culture of Berlin? Second, how is this transformation related to the subject of this study, i.e. Berlin's "ethnic entrepreneurs" and specifically those from Turkey?

Let me start with the second and hence the broader question. The role of "ethnic entrepreneurs" for the economic and social transformations and "development" of Berlin have been emphasized by many policy makers and experts. 2005 report of the Advisory Board for the Integration and Migration Questions of Berlin (*Landesbeirat für Integrations- und Migrationsfragen*) can be taken as one of the clear examples of this concern. The advisory board considers the role of "ethnic entrepreneurs" within the framework of two formulations: promoting the potentials and minimizing the risks (*Potenziale fördern – Risiken minimieren*). To be more specific, "ethnic entrepreneurs" are portrayed not only as economic actors because of their contributions to the labor market (e.g. creating jobs in service sector), but also as socially responsible individuals because of their contributions to solve the

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problems like unemployment and education of "young generations" (Leuschner 2005, 5-8). In reference to the political impacts of German reunification, depletion of industrial enterprises and the sharp increase of unemployment among the "immigrants" from Turkey, the advisory board also highlights the role of "ethnic entrepreneurs" in different aspects of social life including "integration", projects like *Quartiersmanagement* (Neighborhood Management) and "intercultural competence".

Another example can be given from the report of the Office of Commissioner for Integration and Migration (*Beauftragten des Senats von Berlin für Integration und Migration*). The report, also published in 2005, tries to outline the main entrepreneurial characteristics of "immigrants" from Turkey (e.g. citizenship and "background" of the entrepreneur, distribution of enterprises according to the sectors, number and "background" of their employees and customers, problems in the market, memberships and their opinions on Berlin as a city of investment) (Sen and Sauer 2005). Reminding the "negative economic impacts" of the 1990s like the boosting trend in unemployment figures, the report mentions the "potentials" of "Turkish entrepreneurs in Berlin" *(Türkische Unternehmer in Berlin*). Traced back to the late 1980s, this is a "potential" for creating opportunities to the "immigrants" (especially for their employment, vocational education and "integration") and the economic and structural "development" of the city. Last but not least, the report tries to make a list of the problems of these "ethnic entrepreneurs" and calls for the help of various public administrative units in promoting the activities of "ethnic entrepreneurs".

Consequently, even depending on these two illustrative reports, one can argue that policy makers and experts not only define and promote the values of "ethnic entrepreneurs" in relation to the "problems of immigrants" from Turkey, but also try to position them in reference to the features of transformation in the entrepreneurial culture of Berlin. At this point, it will be interesting to recall the first question mentioned above: How are broader

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historical societal happenings in Germany, "Europe", the US or "other" parts the world related to the transformation in the entrepreneurial culture of Berlin and hence to the "ethnic entrepreneurship"?

In order to explore this question, one has to start with the features that led to the transformation in the entrepreneurial culture of Berlin. That is to say, one has to look at the conditions of possibility. Yet, this goal cannot be achieved by separating Berlin from broader happenings. Therefore, in this chapter, I will focus on the historical societal happenings in Germany and try to outline the features of Berlin within this broader picture (keeping in mind the happenings in "Europe", the US or "other" parts of the world). To put it differently, my objective is to explore the historical conditions of "ethnic entrepreneurship", which can be studied through the ruptures of a general understanding of entrepreneurship in Germany that is related to the local and global levels.

In this framework, the historical analysis will concentrate on a particular form of rupture, i.e. "crises of Fordism". This is necessary not only to follow up the understanding of entrepreneurship in Germany since its unification at the end of 19th century, but also to underline the connections to the happenings at local, national, regional and global levels. Interestingly, it is the "crises of Fordism" that historically overlaps with the initial problematization of "immigrants" from Turkey (in terms of unemployment, education and "integration"). In the context of Germany, one can also note the public discussions and uneasiness about the welfare state policies and the urge to become more competitive in the world market throughout the "crises of Fordism".

Nevertheless, I do not to set the "crises of Fordism" as the "most inevitable" mechanism in the emergence and development of "ethnic entrepreneurship". I also do not consider a constant form of Fordism, "its crises" or "post-Fordism". Rather, I try to indicate that the "crises of Fordism" is one of the ruptures, which gets connected with other ruptures,

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to observe the conditions of possibility for the category of "ethnic entrepreneurship". In this sense, the chapter forms the first part of my historical approach in studying the "ethnic entrepreneurship" in Berlin. It is this initial ground that will allow me in chapter 3 (second part of my historical approach) to outline the particularities, continuities and discontinuities of Berlin and in chapter 4 (third and last part of my historical approach) to visit the intellectual formulations of the "ethnic entrepreneurship". Therefore, in the first and second sections of this chapter I will try to highlight the historical features of "ethnic entrepreneurship" through Fordist and "post-Fordist" relations in Germany. Then, in the third section, I will provide examples of this reorganization (from Fordism to "post-Fordism" without claiming for unique beginning and ending points) by looking at the certain policies of German governments. In the concluding section, I will re-visit the historical features of "ethnic entrepreneurship" in reference to the history of "immigrants" from Turkey and this will create the connection to the next chapter.

2.1 A Story of Entrepreneurship during Fordism

As Gary Herrigel appropriately puts in his book, *Industrial Constructions: The Sources of German Industrial Power*, most historical accounts of the post World War II model of German industrial economy highlight the story of overcoming backwardness to achieve economic progress (1996, 5-6). The writings of Alexander Gerschenkron illustrates the traditional understanding of the German industrial system, even though there have been various modifications to his arguments.[xvi] Broadly speaking, according to Gerschenkron, the Germans introduced three measures to overcome the backwardness of the country.[xvii] First, the most advanced technologies were applied to the production processes with the support of state policies in order to compete with earlier industrialized countries. Second, as latecomers they constructed large plants to reach economies of efficient scale. Third, to finance these two developments they introduced a banking system that blends the advantages of British

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commercial banks and French investment banks. Within this system, German universal banks brought together short-term deposits and local capital to mobilize long-term investments for large-scaled enterprises. Before concentrating on the historical features of German industrial economy from the late 19th century until the mid 1970s, a brief review of certain concepts associated with Fordism can help us to clarify the values given to a particular form of entrepreneurship throughout the world.

2.1.1 Notes on Fordism

Popularized in the US to describe Henry Ford's methods in the automobile industry, Fordism is used to demonstrate a variety of concepts, e.g. assembly line, mass production, standardization, machines arranged in the correct sequence and distinctive division of labor. Deriving from the Regulation School's approach, Bob Jessop and Ngai-Ling Sum specify four different levels of analysis in contextualizing Fordism (2006, 59-66). These four dimensions cover one of the most extended formulations of a literature review on Fordism and hence can establish a springboard to a historical perspective on Germany.

To start with, Fordism, as a capitalist labor process, is organized through a special model of technical and social division of labor in the production of standardized goods. As a task oriented optimization of work, Taylorism arranges the technical division of labor found in Fordism. This scientific management tries to secure the economies of scale and continuity of production by focusing on the supply-driven principle and assembly line techniques. By depending on the assembly line, a differentiation of unskilled and semi-skilled labor force is created, engineers, designers, managers and so on. Yet this division of labor does not apply equally to local, national and regional economic spaces and in turn can lead to the emergence of different production spaces. Since mass production is the main source of growth, it does not exclude other types of labor force. Hence different labor forces complement each other across complex economic spaces.

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Second, Fordism can be analyzed as an accumulation regime, which is based on a vicious circle of mass production and mass consumption. Through the growth of productivity in economies of scale, increasing income levels will raise the general demand and affect the profits that can be transformed into investments with new equipment and techniques. In this form of expansion, the implementation of Fordist techniques in every firm is not essential as long as leading sectors are organized along these lines. Since a mass market is found for mass production, other sectors with different goods and services will complement the leading sectors and can thus promote the accumulation.

Third, Jessop and Sum stress the norms, institutions, organizational forms, social networks and model of conduct in Fordist accumulation. As a mode of regulation, this assemblage controls various levels of accumulation and coordinates decentralized economic agents with conflicting interests. In outlining these forms, they point out distinctive features in relation to the Fordist wage relation, enterprise, nature of money, commercial capital, and links between the circuit of capital and state.

The wage relation is conceptualized according to the influence of semi-skilled labor in large-scaled enterprises. Principally, the management asserts the bargaining power of the unions and in turn unions acknowledge management's rights in organizing production and introducing the firm's strategy. Wages are guided by growth in productivity and prices. The bargaining and legislation regarding wages can influence the employees in non-Fordist sectors, since they form a reference point to the leading sectors. These leading sectors are mostly big firms and have the ability to separate ownership and control.

The Fordist enterprises have distinctive multidivisional and market-oriented organizations under the supervision of a central board for long-term programs. Since mass production is mostly associated with trusts and cartels, the main form of capitalist competition among the enterprises is monopolistic rather than liberal. Unlike a flexi-price

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system in which prices will fluctuate according to the demand, the firms deal with cost-plus pricing, price leadership behavior and competition via advertising.

According to Jessop and Sum, the nature of money has also a decisive role in analyzing Fordism as a mode of regulation (Ibid., 62). Above all, it has a national character, in which a central bank monitors the credit relations in a hierarchically organized banking system. The private credits are vital for the augmentation of large-scale enterprises and reinvestments, whereas consumer credits form the basis of individual consumption ability. In this manner, the credit policies of state aim to reach aggregate demand and full employment. In organizing these functions, the nature of money has a close link with commercial capital that is mostly influential in arranging the mass consumption. This intention to arrange mass consumption is a result of mass production of standardized goods, for which a demand pattern needs to be secured. This can be achieved through mass advertising, mass media, mass retailing, mass credit and consumer research.

All of these features of regulation inevitably necessitate a so-called Fordist state. The path that it follows is towards Keynesian welfare policies. Broadly speaking, it can be argued that the state attempts to promote the virtuous circle of Fordism. The demand appears to be the main terrain of action. If the demand side is ensured, large-scaled enterprises will foresee their capital-intensive investments that depend on their capacity. It will also let these enterprises spend more on research and development programs. By establishing the norms of mass consumption, the state will generate the contribution of individuals for the growth of economies of scale.

Fourth, Jessop and Sum talk about the social impact of Fordism in order to complete the general picture of this conceptualization (Ibid., 63-64). As a mode of societalization, Fordism is intended for a wage earner society. The social wage coordinates the social life. Fordism looks after the growing private consumption of standardized goods in nuclear

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households, and collective goods and services by a bureaucratic state. By pursuing these goals, it constructs a marketing strategy through a self-normalization of consumers to the "American way of life" and a technique to boost the social reproduction of labor power in dealing with social costs. However, social impacts of Fordism cannot be restricted to these points. It calls for the state's action in a variety of tasks, e.g. education and vocational training, unemployment and retirement insurance, health and housing provision, measures to deal with the fall of rural populations, destruction of traditional working class environment, privatization of family life, and depopulation of inner cities. In addition, societalization has geographical outcomes. The most referenced spatial patterning is the growth of core industrial regions located in metropolitan areas and connected with smaller industrial cities. While the leading Fordist firms dominate core industrial regions, smaller cities function as the suppliers of these core regions. Thus, it is linked to the process of suburbanization and urban renewal of industrial constructions, in which local state, trade unions and business associations are given substantial roles in economic management, bargaining of social welfare policies, distribution of economic development and minimizing social inequalities.

However, there is some criticism to such a conceptualization of Fordism, which is crucial for the historical features of Germany. First, Jessop and Sum question the labor process of Fordism *à la* Henry Ford. Their main argument is that as a labor process, it has not been dispersed and fully carried out in North America and "Europe" (Ibid., 68-70). They refer to criticisms asserting a small amount of manufacturing output produced in Fordist conditions and a small proportion of the labor force working in Fordist manufacturing. These points are partly related to the technical limits of an assembly line in automated and continuous flow processes, small group production and commodities that are highly varied in composition and level of demand. Inevitably, these technical problems restrict the potential of Fordism to its sectoral and product profile in an economy and hinder the ability of each

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economy to apply a technically optimal labor process profile to its industrial specialization. For this reason, the industrial profile of an economy and its competitive performance are also crucial in understanding Fordism as a labor process. They underline the social limits of Fordism, making it impractical despite its applicability in different parts of the world. Additionally, they criticize the studies focusing on manufacturing and particularly on mass consumer durables and cars, both of which prevent a multi-valued typology of Fordism as a labor process.

Second, only few national economies will be associated with a Fordist regime of accumulation because of the emphasis on a close coupling of mass production and mass consumption in an autocentric economy (Ibid. 71-73). According to Jessop and Sum, if a national economy is able to gather sufficient export earning to finance the importation of goods and has a mode of regulation establishing mass consumption norms and sufficient demand, it does not have to deal with an intense production of mass consumer goods. In this manner, one cannot ignore the complementarities among national accumulation regimes. Likewise, to consider Fordism as a reflection of American domestic consolidation and its spread to other countries will underestimate the alternative models of Fordism in "Europe" and international conditions needed for the Fordist expansion.

Third, there is a difficulty when talking about particular institutional arrangements that correspond with a Fordist mode of regulation. For example, in metropolitan areas there are numerous labor market institutions and rules dealing with wages. In this manner, mass unionism does not always have the decisive role in collective bargaining of industrial relations. Another example can be the Sloanist divisional companies. Although they were largely seen in late-1960s "Europe", Japanese companies have been far away from this organizational form. Moreover, the introduction of Keynesian demand management differs among countries and is inefficiently applied in a majority of economies. In order to overcome

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these problems, Jessop and Sum draw attention to investigate other patterns, e.g. the relation between wages and productivity, spread of connecting bargaining, monopolistic competition, role of state credit, state policies in generalizing mass consumption norms to different groups, planning and economies of scale.

Fourth, Jessop and Sum discuss the periodization problem in formulating Fordism (Ibid., 74-76). Are we going to take 1914, when Henry Ford introduced the automated car-assembly line, as the symbolic beginning of Fordism? Or do we have to start with the crisis tendencies of capitalism in the great depression of 1930s? Or do we have to consider the long postwar boom ending in 1973 as a Fordist era *per se*? Since each of the above mentioned points (i.e. Fordism as labor process, regime of accumulation, mode of regulation and mode of societalization) have their specific history that starts before and goes beyond Fordism, it is hard to define a single Fordist era in the development of capitalism. However, Jessop and Sum prefer to focus on the mode of regulation for a discussion of Fordist era in capitalist expansion. This is due to analyses of the Fordist labor process in its strict meaning, suspicions about autocentrism and the vicious circle of mass production and consumption, and limited consensus on a definition of Fordism regarding the pattern of institutional integration and social cohesion as a mode of societalization. Analyses of the Fordist era in reference to the mode of regulation contain the minimum characteristics of wage relations defined in relation to productivity, growth and inflation, the state's position in directing demand and policies in charge of mass consumption norms.

After looking at a brief conceptualization of Fordism through the analyses of Jessop and Sum, it will be clarifying to turn back to the historical features of Germany. This does not attempt to interpret the German history in reference to the above-mentioned points and to make clear definitions. The shift to a historical approach, rather than developing a theoretical

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discussion of Fordism within the development of capitalism, aims to understand the features that led to the "crises of Fordism" in Germany.

2.1.2 Germany, Its Enterprises and Their Fordism

In order to study the Fordist relations in Germany, one has to start with the arguments of industrialization, because of the assumed role of large-scale enterprises in the economic development of Germany. From the late 19th century onwards, the large-scaled enterprises in the process of industrialization have not been regarded as Fordist units. Nevertheless, they were seen as the natural organizational forms in regulating industrial production by the historical accounts of the post World War II German industrial economy.

According to these historical accounts, by lacking an industrial infrastructure that is necessary for technological progress and competition, the German enterprises were forced to incorporate operation of production in-house.[xviii] The German producers were running their enterprises in fragmented markets for specialized goods and this was preventing them from acting like the large-scale enterprises in the United States, where mass production economies were dominant. In addition, the construction of modern bureaucratic organization affected the organizational structure of large-scale enterprises in Germany. Applying the organizational principles of state, these enterprises created managerial hierarchies and specializations within their structure. As a result of this vertically integrated organization, the large-scale enterprises had an easy access to the state bureaucracy and in turn were able to establish close relations with banks and to make use of the cartels. Moreover, particular institutions emerged through the close relations among large-scale enterprises, state bureaucracy and banks. These institutions concentrated on industrial technologies and encouraged people to do research in science-based industries (Fremdling, 1991).

In contrast to the leading role of large-scale enterprises in German industrialization from the late 19th century onwards, small and medium scale enterprises had a particular

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image in the historical accounts until the late 1970s. Broadly speaking, the small and medium scale enterprises were partly considered to be inefficient and backward, partly producers in niche markets with less advanced technologies, and partly subsets of large-scale enterprises, since they supply training and skilled labor force. These arguments depend mostly on two historical interpretations (Herrigel 1996, 9).[xix]

On the one hand, the unitary forces of industrialization pushed small and medium scale enterprises to a subsidiary and tenuous position. In this manner, large-scale production efforts were seen as modern and in opposition to small-scale production units, which were seen as anti-modern because of the efforts to stabilize their position. On the other hand, small and medium scale enterprises were regarded as derivatives of large firms, simply because of their production and technological characteristics. In other words, if the demand for goods of mass-producing firms exceeds their limits, small firms will emerge as sub-contractors. Similarly, small firms can operate in specialized markets, where large-scale enterprises do not have any competitive advantage. Although they were governed by the same rules, small and medium scale enterprises were viewed to be more specialized, less competitive and more dependent than large-scale enterprises, which were believed to be the constitutive forces of modern capitalism.

Arguing against this traditional account of German industrialization, Herrigel claims that there are two regionally distinct patterns of industrial development: a decentralized industrial order and an autarkic industrial order (Herrigel 1996, 20-31). They parallel one another throughout the German industrial history in the 19th and 20th centuries and form the German national political economy in relation to the global level.

On the one side, there is a set of relations among producers and public and private institutions and this is conceptualized as a decentralized industrial order. Württemberg, Baden, the Kingdom of Saxony, the Berg Land, the Siegerland and left bank of the Rhine are

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the regions that are associated with this pattern. In these regions, the sizes of products were mostly small and boundaries of specific products were constantly changing. Pre-industrial infrastructure of craft system and small property ownership formed the basis of industrial organization in these areas. This background paved the way for a mechanism of governance that did not require large and vertically integrated structures. Most of these family-owned firms did not include all levels of production under their supervision and hence had lower capital costs. These producers and local governments founded their own savings and cooperative banks.

On the other side, all features of production and governance in the autarkic industrial order were placed in the institutional framework of private firms. Ruhr Valley, northeastern Westphalia, cities like Hannover, Kassel, Braunschweig, Nuremberg, Augsburg, Munich and the central Prussian plain, including Berlin, are considered to be models of autarkic industrial order. These were poor and agricultural regions without a free pre-industrial infrastructure that was inhabited by a large class of property-less labor. The lack of infrastructure paved the way to incorporate most of the levels of production under the control of these firms. Inevitably, this policy had high capital requirements and hence directed firms to establish close relations with universal banks. Additionally, the late industrialization in this region led many firms to adapt technologies and organizational forms from other industrialized countries in “Europe”.

As a result of these two regional industrial orders, the national level cannot be regarded as a unitary system in governing the political economy. Rather, different regulations and institutions have been put into practice in these regions. The co-existence of systems of industrial order brings out a terrain on which different actors, e.g., business associations, trade unions, local governments and institutions that regulate monopolies, taxes and trade tariffs, can bargain, negotiate and cooperate. This co-existence does not mean a total

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demarcation of small and medium scale firms in decentralized industrial orders and large-scale enterprises in autarkic industrial orders. Rather, it indicates the dominance of a type of firm over the other depending on the particularities of a certain region.

In reference to this argument, it will be illustrative to divide the rest of this section into two parts: the period from the 1870s until the end of World War II and the period beginning in the post-war era and ending in the mid 1970s. This division does not aim to find the Fordist era *per se*. Rather it intends to provide an extended picture, within a historical background, of the so-called German economic miracle of 1950s and 1960s, which is associated with more efficient Fordist state policies. Clarifying the co-existence of two interrelated regional industrial orders will also provide an understanding of existing conditions during the transition from Fordism to "post-Fordism" in Germany.

2.1.2.1 From the Late 19th Century to the End of World War II

As a starting point, it can be underlined that property relations marked the distinction in the emergence of two industrial orders. In decentralized industrial regions, peasants were running the estates of feudal lords long before the emancipation of peasantry in the early 19th century.[xx] The holding of small plots of land made it possible for the rural labor force to engage in intensive agriculture and industrial employment, as a counterbalancing strategy. Although there were differences in the size of holdings and systems of inheritance, most of the peasants were able to keep their lands and simultaneously engage in rural industrial production during the 17th and 18th centuries. The autarkic industrial regions were lacking these property relations. Their property relations were shaped by those acquiring large productive holdings and a landless class working in large farms.

In the emergence of rural industrial production in decentralized regions, depression of agriculture that resulted in low grain prices and price deflation that separated income from expenditure had contributive effects. Low prices increased the demand for relative luxuries

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and production. In this context, being unable to deal with increasing demand, the urban merchants directed part of their capacity to rural producers. As the classical form of decentralized order, regional rural industries (*Gewerbelandschaft*) continued living in the homes of peasant families or workshops of rural and urban artisans (Herrigel 1996, 36-7).[xxi] The process of production took place in different locations and this dispersed production created a relationship between merchants, outworkers and regional governments.

Supplying capital and materials to outworkers, merchants were benefiting from the gap between low wages and high market prices for finished wares. They were also controlling the phases of production and groups of outworkers. Yet, they were dependent on the outworker's power over the conduct of production because of a lack of labor mobility and outworkers' engagement in agricultural work. On the other hand, the regional governments were concerned about the employment of population and sources of revenue in these regional rural industries. Hence, they promoted this form of production, which is also crucial for the reproduction of state power. This was achieved via introducing tariffs, monopolies and subsidies in order to control the economic activity of these actors. By and large, as a system of industrial organization, it brought together the forces of urban and rural areas into a set of social practices among three actors and property relations.

By the beginning of the 19th century decentralized industrial *Gewerbelandschaften* acquired most of the features of a modern industry without mechanization, factory production or independent labor force. However, the growth of mechanized factory production in Britain generated low priced standardized goods, lower input costs and new markets and in turn transformed the organization of production and its governance in these decentralized regions (Ibid., 41-58). These regional producers tried to escape from direct competition with the British via specializing in goods that the latter did not produce or via moving to markets in which the latter did not have a competitive advantage. The desire to apply these strategies

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also forced these firms to search for policies between technological possibilities and markets via shifting from one sort of good to another and optimizing the scale and scope of the economies. Without doubt, they did not remain totally outside the formation of mechanization or factories.

The process of mechanization and establishment of factories joined up in the 19th century, even though there were various outcomes in centralized and decentralized regions. In the decentralized regions, mechanized factory production slowly replaced the organization of production at home. This became significant with the increase of production in the workshops. An increase in production brought with it a demand for full-time industrial work and this had an effect on peasant home-workers to engage less with agriculture. Similarly, the organization of production at home started to change with the explosion of small industrial establishments. Still, it was not able to change the decentralized and subcontracting features of production (Henderson 1975).[xxii] Mechanization at one level of production mostly encouraged handicraft production in the same region, since they were competitive in the market via lowering the cost of inputs. In this way, they promoted specialization and hence divided the risks, by deriving from the cost of inputs, among each other. In addition, new industrial technologies were applied in the development of machinery and a skilled labor force. These innovations contributed to mixed factory organizations to make use of economies of scale, as in the cases of rented factories (*Mietfabriken*) and divided workshops (*geteilte Betriebe*) (Herrigel 1996, 44).[xxiii] Moreover, such an organization of factories and division of production among firms enabled producers to welcome changes in the demands of customers.

The changes with the emergence of wage labor in factories and workshops, as well as the augmentation of business strategies among decentralized producers, gave rise to policies in governing the relations among workers and capital owners. Regional governments became

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one of the leading forces in conducting these regional industrial relations. In the 19th century, many autonomous political units in German territories came together as a part of political restructuring and formed larger units that caused these governments to include more industrial districts into their territories. This change occurred in parallel to the appearance of free peasants who were able to break down the feudal obligations. As free peasants, they engaged in agriculture and industry and hence forced governments to establish negotiations for the legitimization of their political power.

At a broader level, German unification also encouraged these governments to direct their measures to keep their autonomy and improve their situation in the national order. Governments tried to be competitive in the national and regional levels with the aim of increasing their revenues and coping with unemployment. Both of these were directly related to the question of "social" at the central level. As George Steinmetz appropriately argues, social policies, like poor relief and worker policy, were binding the local and national levels in reference to the social fear (1993, 41-54). In the case of poor relief, the threat was social disorder. It aimed to separate the able-bodied from those that could not work. It also tried to integrate the able-bodied into labor and the rest into consumer markets with its individualizing and market-oriented features. At the same time, the worker policy was aiming to contain the working class and prevent an organized socialist movement in relation to the Social Democratic Party and labor unions. In this context, these governments promoted industrialization for the wealth and welfare of the society. By seeking this goal, they attempted to diffuse technology and capital in the regional economy so that production characteristics of small firms could be guaranteed and negative impacts of production on the living conditions of working people could be minimized.

To promote small and medium scale enterprises, these local governments mobilize different measures. The foundation of communal savings banks (*Sparkassen*) was one of

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these measures to provide capital and infrastructure for the firms and to expand industrial and technology policies (Herrigel 1996, 55). At the beginning, the funds of banks were used for poor relief and infrastructure recoveries to prevent the growth of socialism and private actors as threats to their political authority. Later on, they were directed towards the needs of small producers. In this sense, they were supported by cooperative banks (*Genossenschaftbanken*), which had been established with the initiative of small producers for self-help and mutual aid reasons (Ibid., 53). This closed money system enabled small producers to achieve credits below the rates of commercial banks. Second, the local governments financed technology transfers and expeditions to strengthen local producers. Through this policy they socialized the cost of knowledge for establishing new technologies and maintained decentralized industrial structure. Third, the governments formed tariffs against non-German producers to protect the development of regional producers. Fourth, all of these initiatives required an intensive communication of governments and producers, for which Chamber of Commerce and Industry (*Industrie und Handelskammer*, IHK) served as the most effective institution. It was gathering information and statistics as an administrative apparatus. This technical knowledge was crucial in preserving the health and needs of industry, collecting taxes and improving new policies.

However, expansion of production and techniques to conduct these practices in decentralized regions cannot be separated from the regions of autarkic industrial order. Apart from the background of property relations, i.e. a large number of landless workers forming the reservoir of industrial labor force, autarkic industrial regions followed a different pattern. The industrial takeoff in these regions occurred in iron and steel production, in which start-up capital was high. Therefore, they were able to survive only with investment capital from universal banks (Lane 1995, 29-45). Although iron and steel industries were the leading

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forces in this process, large-scale enterprises in textile and machinery markets also focused on volume production that was not widespread in Germany before the 1950s.

In general, most of the sectors in autarkic regions evolved with technology transfers from abroad, particularly from Britain (Herrigel 1996, 73-83). Unlike the small and medium scale enterprises in decentralized industrial orders, they applied new technologies from the very beginning, since they were set up in largely agrarian regions. The absence of a traditional handicraft was also substantial in the application of new technologies. This tradition was the way of constructing relationships in decentralized regions by spreading the cost of input and various risks among producers. Lacking this tradition forced the companies in autarkic regions to depend on technology transfers and later on innovations. Inevitably, it directed these firms to centralize and integrate many operations in production process, since they did not have a background of specialization. As a result of vertically integrated structure of production, small and medium scale enterprises were not able to generate specialty goods or to work as subcontractors for large-scale firms. Thus, regional peculiarities became irrelevant from the organization of these firms and these local economies associated with the identity and organization of the corporations (Ibid., 81).

Due to their organizational structure, these firms in autarkic industrial regions were mostly named joint stock companies (Lane 1995, 33).[xxiv] They were not able to rely on the merchants that engaged in traditional production. This inability brought a transformation in the managerial control of enterprises. They introduced departments with professional management teams to run production, sales, marketing, finance, research and development. Vocational trainings were put into practice under this professional management, since the artisans in these regions did not have the capacity to train workers for skilled tasks. The increase in scale of production and diversification of goods improved this management

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system, even though families acquired the majority share holdings in many large corporations.

The investment capital of private credit banks (*Kreditbanken*) also played a crucial role for the corporations in these autarkic industrial regions (Lane 1995, 31-32).[xxv] Moneyed aristocrats and speculating merchants collected capital from short-term commercial depositors and distributed it in the form of long-term loans to these corporations. The banks provided capital not only for the initial formation of firms, but also for the application and improvement of technologies and investments as a result of diversifications in the market. The banks connected these loans to the occupancy of seats in the supervisory boards of firms to have some control over the business strategies and acquired shareholdings of many large companies. Thus, banks became the supporters of these enterprises as long as regional resources funded the scale and capital requirements. This structure detached the banks from their regional bases and opened the way to be more active in a universal banking system.

It will also be illustrative at this stage to underline the role of state in the evolution of large corporations in autarkic regions. In this regard, Steinmetz stresses three factors (1993, 100-107). First, it was the dependence of German state on the financial resources from the private economy. These financial resources were credits from banks and revenues from taxes obtained through economic transactions of individuals and corporations. Thus, the German state promoted capitalist economic prosperity, in which large corporations constituted the biggest source of activity in generating income. Second, military goals forced the state to favor close relations with private industry and capital. Towards the end of the 19th century, private industry replaced the position of the army's own armament workshops. Following this transformation, with the help of mass production, the German state started to benefit from private industry in the arms race before 1914. During this course, new technologies and innovations heated up the reliance of the state's military capacity on autarkic producers with

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the help of university research teams, engineers and managers from other educational institutions. Third, the socialization of bureaucrats led the German state to embrace large-scale enterprises. This came into existence not only because of discourses that favored industrial progress and modernization, but also because of educational experience, which circulated values of the cultural and economic bourgeoisie.

Hence, in the evolution of large-scale enterprises, state sponsorship became an important force in comparison to other "European" economies. Political motives of balancing the class interests had greater influence on this sponsorship than an initiative for state-led industrialization (Lee 1988). On the one hand, it was directed with the aim to minimize the threat of the "social" in reference to worker movements and organizations. On the other hand, a strong industrialist class could have challenged the traditional authority of state and hence needed to be only supported along the state's interests. These political motives were also noticeable from the producers' perspectives. Unlike decentralized producers, who perceived government institutions as co-actors in defining the organization of production through exchange of knowledge, they intended to escape from a set of mutual obligations. According to them, the private control over the market could limit the power of government and support the potential to achieve a modern self-governing society rather than the efforts of central authorities.

Last but not least, two phenomena need to be underscored in outlining the features of this period: cartels and waves of migration. In the former case, radical inflation, weakening of the banking system and difficulty in obtaining credits influenced both small and large-scaled enterprises, especially in the interwar period. Specialization and sub-contacting, as the most substantial characteristics of small and medium scale enterprises, became impossible during the downturns in the business cycle. The increase of competition among producers led to the collapse of cooperation and in turn engendered crises of communication and integration in

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conducting production. Price cartels, term-fixing cartels, specialization cartels and communities of trust turned out to be the most common formations to overcome these challenges for small and medium scale enterprises (Herrigel 1996, 61-8).[xxvi] Similarly, large-scale enterprises faced problems deriving from increasing production, which was a risk in maintaining the level of sales in the market due to high fixed costs. Moreover, stabilization in demand for the standardized goods in different sectors channeled some of these large-scale enterprises to specialty markets. Both of these risks were resolved mainly with horizontal and vertical mergers. In the interwar period, such transformations were run under the names of *Konzerne* and *Vestag* (Ibid., 92-8).

The waves of migration were also one of the main characteristics of this period of industrialization in Germany as a labor process. The transformation from agriculture to industry created less-skilled jobs, especially in the large-scale enterprises. This demand was fulfilled initially by internal migration from surrounding regions. The initial migrant labor force was a consequence of land ownership and inheritance patterns that gave raise to landless peasant workers, which at the end of 19th century replaced the major flow of emigration to the United States.[xxvii] Yet, the increase of production reached a level where the initial labor force could not meet the demands of large-scale enterprises. The employers were looking for willing and cheap labor from eastern Germany and eastern and southern "Europe". This second wave of migrant labor was mostly composed of Poles, Italians and east "European" Jews. They were settling around autarkic regions like Berlin, upper Silesia, the Ruhr region, Bielefeld and Nuremberg. The state initially implemented a system of compulsory rotation that was concentrating on seasonal employment. It was concerning the security and political stability of eastern borders. Yet the requirements of industrialization paved the way for permanent immigration through residence and work permits during the first three decades of the 20th century. The use of foreign labor increased very slowly during

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the interwar period. It was replaced with the slavery of millions of deported foreign workers and prisoners of war after the outbreak of World War II.

2.1.2.2 Post-War Period until the "Crises of Fordism"

Leaving aside the years from 1945 until 1949, in which Germany experienced the Allied occupation and then establishment of the new republic (Federal Republic of Germany), the impact of Fordism in West Germany is considered to have been most influential during the post-war era until the mid 1970s. In a broader context, different factors contributed to this phenomenon, i.e. construction of the "European" trading zone, an economic boom, policies of Keynesian welfare national state, and fiscal and monetary policies of the US, which opened up the commodity and capital markets to large corporations by becoming the world's banker with the help of the Bretton Woods agreement of 1944.

According to the Keynesian understanding that was mostly widespread in the post-war era of "European" countries, a set of scientific managerial strategies and state powers need to be exercised in stabilizing capitalism and avoiding a downturn of business cycles (Harvey 1990, 129). In this sense, it aimed to guarantee full employment in the relatively closed national economy deriving from the demand side of management. That is to say, a stable level of demand had to be provided to the supply of Fordist mass production, which depends on economies of scale and full utilization of means of production. Until the middle of the 1970s, this went hand in hand with a set of social policies that were oriented towards welfare. By pursuing this goal, the state attempted to control collective bargaining within the boundaries of economic growth that can be achieved with full employment. In addition to this, it set up the norms of mass consumption not only to promote its equal application all over the country but also to form favorable conditions of demand in the Fordist mode of growth. Moreover, it expanded the welfare rights of the society and in turn assumed responsibility for the policies at the national level to restore stability, generate infrastructure

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for domestic economic growth and encourage cooperation of national economies. Thus, policies at the urban and regional levels pursued equalization of the economic and social conditions in relation to the national level. This was done mostly in a top-down fashion through various institutions.

In explaining this top-down fashion under the productivist logic of Fordism in the West German central state, Brenner refers to Lefebvre's call for a spatialization of state theory (1997). Lefebvre tries to illustrate the production of space through interventions of capitalist state (1991).[xxviii] The state's attempts to regulate the social space are done with the purpose of controlling social relations. However, in this process, state itself is also a socio-spatial configuration. That is to say, it does not acquire a neutral position external to social space and hence is engaged in this production. The role of state in this framework is to maintain the hierarchical ensemble of places, functions and institutions and then to start its own reproduction in response to these abstract social spaces. However, there is no causal primacy among the local, regional, national and global levels. It is a gathering of cross cutting socio-spatial relations. Relying on this theoretical approach, Brenner argues that the West German variant of Fordist state space, in the post-war era until the mid 1970s, was organized around the integration of central, regional and local state apparatuses into a national mode of social regulation with the aim to abolish an uneven development (1997). This can be clearly seen in the policies of post-war West German economy.

The growth of post-war West German economy was based on the export of capital goods to the world markets rather than the mass production of durable goods for domestic consumption. The export-oriented manufacturing industries, e.g. chemicals, metalworking, automobile construction, electronics, mechanical engineering and plastics, became the leading figures in the spread of economic growth. During these years, state intervention was mainly formulated with the principle of social market economy (*soziale Marktwirtschaft*). It

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was introduced with the speech of Ludwig Erhard, who served as the first Economics Minister of Federal Republic of Germany (1949-1963) and chancellor (1963-1966) after Konrad Adenauer (1949-1963), at the Recklinghausen conference of CDU (*Christlich Demokratische Union*, Christian Democratic Union) in 1948.

Although the concept of social market economy was theoretically formulated by Alfred Müller-Armack (1901-1978), it is mostly associated with the philosophy of *Ordoliberals*, e.g. Franz Böhm (1895-1977), Walter Eucken (1891-190), Wilhelm Röpke (1899-1966), Alexander Rüstow (1885-1963), Ludwig Erhard (1897-1977) and some of the members of Freiburg School, all of whom gathered around the academic journal of *Ordo: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft*.[xxix] However, the principles of social market economy were not implemented in a homogeneous way. The CDU/CSU led governments from 1949 until the rise of the Grand Coalition in 1966 followed it to some extent through supply-side policies in regulating the industry and endorsing capital formation. It was only after the entry of the SPD (*Sozialdemokratische Partei Deutschlands*, Social Democratic Party) into the Grand Coalition that Keynesian demand management policies were settled in Germany.

The social market economy was not just a slogan for the election campaign of the CDU. It was an endeavor of economists to obtain general conditions for the reproduction of capital and labor power through investments and mass consumption measures. The intellectual background of the social market economy was formed during the Weimar Republic and in this sense it was a reaction to the uncontrolled inflation between 1918-1923 and the Great Depression that diffused economic ruin and brought the rise of Hitler. By the same token, it refused not only the state planning and bureaucratic controls but also the rationality of free economy associated with *laissez-faire* liberalism.

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According to Erhard, a distinction between a market economy with a free price level adjustment and an authoritarian economy with state controls in the level of distribution could not be contributing to the development of a social market economy (Nicholls 1994, 154).[xxx] The market economy could effectively function as a result of the balance between supply and demand that sets the prices. In order to preserve this balance, competition should be guaranteed and exercise of market power should be prevented. Therefore, it was the role of state to establish the framework of effective competition so that it could encourage producers to look for innovations and new technologies. The state also had to promote social equality that would not disturb market freedom, create destructive competition or pave the way for excessive concentration of economic power. Additionally, policy makers should work against economic privilege and proletarianization of people through cultivating craft industries and small businesses (Ibid., 155). This economic policy on the efficient functioning of market mechanisms requested the social responsibility of state for those who were not capable of generating prosperity in the Fordist mode of production.

Within the framework of this understanding, state became an integral part of social market economy in terms of its involvement in market processes. However, the extent of this involvement was the key point that separates it from the interventions of Weimar and Nazi states to the internal affairs of producers. Until the mid of 1970s the economic policies were run with the idea of a strong but limited government rather than a full-fledged interventionist understanding that could prevent the prosperity of autonomous industrial actors.

This period in West German economy, first, was dominated by mass producers unlike the previous one, which was a mixture of volume and specialty producers (Herrigel 1996, 262-264). In an economy of specialty producers, investment calculations contributed to a great extent the rate of return, i.e. the difference between revenue earned and cost of production. The micro-level, being the main axis of state regulation, was organized to prevent

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the collapse of honor-based self-restraint through various forms of cartels, whereas the macro-level served as a policy sphere that sought monetary stability due to the danger of inflation. In an economy populated by mass producers, the main concern was the level of demand and thus the capacity of the market. Some of the producers, particularly the ones that involved in rapidly expanding sectors or semi-finished production, tried to form cartels or increased capacity through subcontracting. But most of the mass producers in the West German economy of the 1950s considered stabilizing aggregate income levels more desirable than controlling the market environment. Therefore, they preferred regulations for setting the wages and leveling business cycles via fiscal and monetary measures.

Second, the attempt to materialize wage rates and hence general working conditions among producers and trade unions led to the emergence of policies on quasi-corporatist form (Piore and Sabel 1984).[xxxi] Collective bargaining, which began in 1956 with the Bremen Agreement, set the national wage rates after the bargaining in the nation's largest manufacturing branch, between metalworkers union (IG Metall) and Metal Industry Employers Association (Gesamtmetall). The shift in bargaining from a local and regional focus to a national one was mostly affected by a formulation of labor as a component of demand, unlike the local and regional bargains of the Imperial Reich and Weimar Republic. This also paved the way for a parapublic national level procedure to set the growth of wages according to the performance of national economy. On the other hand, this centralized bargaining had consequences on the organizational structure of unions, i.e. emergence of two levels of authority between the central union and works council.

Last but not least, as a result of the successful institutionalization of national wage level settings, business associations, the government and trade unions agreed on a desire to have some greater predictability in business cycles (Herrigel 1996, 268-9). For industrial producers, this was essential because of their fear of the power of the labor movement. The

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industrial producers feared that the labor movement could demand unreasonable wages in the negotiation process. On the other hand, unions, as the supporters of Keynesian ideas of demand management, were worried about instability that could affect the redistribution of wealth to their members (Thelen 1992). The policy makers, however, were concerned about the higher wages combined with large trade surpluses that could increase inflation and provoke Bundesbank to strengthen credits.[xxxii]

These factors built a political consensus that favored the power of central government on the macroeconomic steering (Berghahn 1985, 286 and Altvater, Hoffmann and Semmler 1980, 303-9). This can be seen in the acceptance of two reforms; namely, the Stability and Growth Act and a constitutional reform of the financial structure (Bark and Gress 1993, 82-90).[xxxiii] In the former, the reform intended to pursue policies for full-employment, steady growth, price stability and constant value of the Deutsche Mark (DM). It called for a business cycle council that produced data for annual strategies. It also enabled the federal government to make use of its budget to regulate the level of demand as the source of economic order. In the latter, the reform aimed to increase the capacity of the central state to intervene, preserve the autonomy of local bodies and cooperate between regional and central governments through joint projects, special investment aids and joint committees.

At this point, a focus on the particularities of different business cycles can also be explanatory in examining the effects of Fordist production in the policies of Germany until the mid 1970s.[xxxiv] According to Karl Hardach, four different phases of progress can be detected for the West German economy, i.e. 1948-1951 (phase of reconstruction), 1952-1958 (consolidation phase), 1959-1966 (falling in line phase) and the years between 1966/67 and 1970 (1976, 178-204). In each of the phases, the West German economy went first through an upturn of two years, which started with an increase of demand, followed by over-utilization of productive capacities, rising prices, rising profits and rising wages, and then

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through a slow growth of two/three years, which emerged as a result of stabilization of demand, increase of buyers' markets and decrease of employment and utilization capacity.

The first phase started after the currency reform of 1948 and was dedicated to rebuilding (Ibid., 181-6). The industrial production exceeded its pre-war level, and it went through the replacements of damaged plants, public infrastructure, machines and equipment, all of which created huge demand for goods. However, the quantity boom and fiscal policy of keeping money tight limited consumer spending and hence decreased the huge demand for goods and their prices. The declining prices also lessened the tendency to invest and raised the unemployment rate. The liberalization of foreign trade increased imports, but the huge deficit in foreign exchange and decline of American aid worsened the balance of payments and reduced the competitiveness of German goods. On the other hand, the West German economy benefited from the Korean crisis, during which an increase in industrial production and exports were achieved with a small increase in the cost of living and wages.

During the consolidation phase, expansion of the economy continued with few tendencies towards higher prices, increasing GNP and drastically reducing the unemployment rate (Ibid., 186-92). The efforts to create a comprehensive economic union through the European Coal and Steel Community (ECSC), European Atomic Energy Community (Euratom) and European Economic Community (EEC) gave a great impetus to tariff reductions of governments and in turn supported the German exports. The small increase in cost of living allowed German export prices to be in a favorable position in the "European" and global markets. This inevitably generated a large balance of trade surpluses and foreign exchange reserves due to general undervaluation of the DM. It was also in this period that automobiles and many other consumer durables, like television sets, washing machines and different household electronics, lost their standing as luxury items and began to constitute the main patterns of mass consumption. Moreover, the increasing wealth in the national economy

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made it possible to improve the living conditions of unemployed, old age pensioners and orphans through various social policies.

From the late 1950s onward, the West German economy started to experience difficulties in the prices of commodities, unlike the previous period when the slower rise of prices and faster growth of GNP gave it a dominant position in the trading zone of "Europe" (Ibid., 192-9). Still, the Bundesbank tried to maintain the purchasing power of DM by keeping its annual loss as low as possible under the threat of inflation. When the export-led growth accelerated the growth of prices and wages, the Bundesbank took some restrictive measures. The high level of interest led the German borrowers to look for the rates abroad and in turn promoted the inflow of foreign funds. The boost of domestic liquidity intensified the boom and further expanded the exchange reserves. Therefore, the impressive export gains and domestic supply of money brought the inflationary pressure and ended up with the government's revaluation of DM, since exporting industries were not destabilized from this development. This was also the period when German direct investments abroad began to improve. The foreign assets in Germany were divided almost equally between the United States and "European" countries (e.g. EFTA and EEC), whereas German foreign assets were mostly concentrated in "Europe" and followed by the United States, Latin America, Asian and African countries. However, until the late 1960s the German direct investments did not reach the level of foreign holdings in Germany.

On the other hand, labor scarcity, shortening of the average working week, longer paid vocations and difficulties in recruiting skilled labor force in the context of "European" full employment diminished the growth of German GNP. In this context, the demand for additional workers multiplied by the mid 1960s. The main reason for this need derived from the productive capacities, which were in need of better utilization. Such an unskilled labor

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force did not require any training or elementary education for the purposes of existing industrial capacity and in turn it did not place an extra burden on the market mechanism.

Although the huge number of foreign workers slowed down the desired transformation in the economy, i.e. substitution of capital for labor via rationalization, modern technology enabled a division and simplification of complex tasks and hence created a demand for an unskilled labor force. With the importation of a favorable age group of guest workers (*Gastarbeiter*) German policy makers intended to have more contributions in funding the social insurance system. The substantial amount of money that these guest workers sent to their families in countries of origin functioned as capital exports during the constant level of external imbalance. In this manner, the inflow of foreign labor was crucial for an increase in domestic wages, since it was regarded as a factor in the rise of price competitiveness of export industries. Additionally, tax revenues generated from these guest workers were much more than their costs. They served as potential consumers for the goods of mass producers as it was underlined in the Keynesian idea of labor, which also engendered the expansion of infrastructure in the country.

However, there were some other drastic changes that were mostly associated with this period. First, technical and organizational know-how were to a great extent imported from the United States in order to regain the general standard in conventional technology. Throughout the 1950s and 1960s the implementation of modern technology, as a reflection of management techniques and labor structure, was achieved via the high rate of investment in national income and efficient price system after 1948. Second, agricultural growth reached impressive levels, but never achieved the success of industrial production since it continued to depend on import markets. The large possible import gap in agriculture was favorable for export industries, since they would have to pay for it. Third, spatial planning policies gained a great impetus with the aim to balance the effects of capital accumulation as evenly as

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possible throughout the country. The form of production and consumption targeted this standardization of urban living spaces. In this sense, central places were considered for infrastructural investments, commercial activity and industrial production, all of which could contribute to the development of surrounding regions with the help of wealth redistribution and social engineering through bureaucratic co-ordination.

The last period, between 1966/67 and 1970, was under the threat of price inflation, reduction in investments and adverse balance of payments (Ibid., 199-204). Although industrial production and GNP grew with a decreasing rate and unemployment remained low, the cost of living and pessimistic evaluations among the businessmen, due to few orders and large amounts of stock, affected the total investments. The restrictive policy of Bundesbank in terms of money supply also made investment financing more difficult in comparison to previous periods. However, the economic climate started to improve with the restoration of the federal government's financial policy that decreased the budget deficit through cuts in expenditure and increased revenue through reduction in tax concessions. The government issued a Law for Promoting Stability and Growth in Economy and hence centralized fiscal powers, which were diffused among federal government, state governments and municipalities before. These fiscal measures were used to stabilize prices and achieve full employment, external equilibrium and growth rate. As a consequence of these measures, the West German economy experienced a fall in unemployment, moderate price increases and considerable growth until 1970. But the tendencies in price growth due to cost-push, high demand and inflationary infection from abroad led to a revaluation of the DM. This advocated the idea of as much competition as possible and as much planning as necessary.

During the post-war era until the mid 1970s, the small and medium scale enterprises were able to survive via assisting the large-scale enterprises in mass production, which needed to invest in specialized and product-specific capital equipment. This was done mostly

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through an attempt to find niches, in which it was not profitable for large-scale enterprises to compete. Mass-producing firms worked with specialist capital goods producers, despite the fact that many large-scale enterprises broke out from the decentralized structure of industrial order dominated by small and medium scale enterprises. Since mass production equipment was expensive, firms that invested highly in this equipment could lose their position in the market if the required demand failed to appear. Hence, it was profitable for large-scale enterprises to control the evolution of technology in stable markets. Although competition on the basis of economies of scale with standardized goods was the main norm during the post-war era until the mid 1970s, the success of small and medium scale enterprises were associated with a technological logic in fragmented and unstable markets because of the low cost of production. According to general arguments, as suppliers of large firms in mass-producing sectors, e.g. automobiles, consumer electronics and optical equipment, small and medium scale enterprises should be catching up to the technological rationalization and automation. This was achieved to a certain extent with favorable taxing policies and easy access to capital. The reconstitution of Chambers of Commerce, (as mediating institutions for the flow of information and co-ordination of vocational education programs) and passage of a law forbidding the formal formation of cartels, can also be seen as policies to promote small and medium scale enterprises during this period that was dominated by large-scale enterprises.

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2.2 A Story of Entrepreneurship after the "Crises of Fordism"

By the middle of the 1970s, we have an understanding of Fordism in West Germany deriving from its post-war economic, social and political reconstruction. In terms of the industrial relations, unions and employers' associations emerged as decisive social partners in wage bargaining. Through the legal formulation of *Tarifautonomie* the federal state opened a ground for unions and employers to reach a consensus on the wages (Streeck 2005, 139). The

labor movement guaranteed co-determination within the principles of a social market economy. This called for a dominance of private capital under the co-coordinating role of banking capital with limited but direct state intervention in a welfare organization. High levels of nominal taxation and funds like the Marshall Aid enabled the federal state to support certain economic activities through tax concessions and subsidies (Jessop and Sum 2006, 131). However, the distribution of powers among federal and regional governments, as well as the autonomy of the Bundesbank, created institutional limits to state intervention in economic policies (Dyson 1981).

Until the middle of the 1970s, the industrial production was dominated by export-oriented capital goods. Its growth evolved through technological changes and a skilled labor force. Especially after the introduction of an undervalued DM, export orientation became decisive (Deubner 1984). Mass production of consumer durables that depended on the economies of scale and a semi-skilled labor force was mostly visible during the 1960s, in contrast to other "European" countries. Import penetration of the United States and some "European" countries also influenced the position of domestic consumer goods. Such a coherent industrial structure was maintained through government policies, system of universal banks and formal cartels and subcontracting ties. Federal and regional governments endorsed the expansion of capital goods and their competitiveness in the world rose through investments in nuclear energy, infrastructure, technological innovations, various research and development programs and education. As a result, a dominant pattern emerged in terms of wage relations. While an export-oriented production fulfilled employment requirements, the emergence of monopolistic price levels preserved the profits of companies. These increasing profits were reflected in the productivity levels and in turn boosted the real wages in general. Hence, the unions (over the wages and hours at industry and regional levels) and work councils (over the conditions at the plant level) acquired a bargaining power. However, this

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picture of the Fordist variant of the West German economy went through a couple of "crises" like many other countries. At this point it will be useful to start with a general framework before underlying the historical features of Germany.

2.2.1 Notes on "Post-Fordism"

Like the conditions of Fordism, comprehensive accounts of "post-Fordism" are highly debatable. This is crucial for two reasons. First of all, the impacts of "post-Fordism" are not identical throughout the world and are not experienced in the same way during the same period. Secondly, a clear-cut shift from Fordism to "post-Fordism" is theoretically and practically impossible mainly because of an aggregation of continuities and discontinuities among them. Thus, we cannot talk about a complete "post-Fordist" period or form.

On the other hand, considering these two points, one can argue different conceptualizations of "post-Fordism", e.g. high Fordism, late Fordism, neo-Fordism, flexible accumulation (Harvey 1990, 141-97), just-in-time production (Swyngedouw 1986) and disorganized capitalism (Lash and Urry 1987). However, it is not within the scope of this chapter to reach an ideal model given the variety of local, national and global possibilities. The rest of this section will attempt neither to analyze "post-Fordism" against Fordism, nor to present it as a complete, homogenous and unique formulation. Rather, starting with the "crises of Fordism" and then focusing on certain continuities and discontinuities, it will try to formulate the historical features of "ethnic entrepreneurship" in Germany.

In order to outline the transition from Fordism to "post-Fordism", Jessop underlines the emergence of crises in economic, fisco-financial, political and social spheres as challenges to the Keynesian welfare national state (2002, 80-94). To start with, Fordist firms in search for economies of scale expanded into foreign markets. The goal of full capacity utilization led to the bargaining power of organized labor. The constant search for productivity via work intensification brought out alienation in the factories. In addition to

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this, foreign credits became substantial to lessen borrowing costs and tax bills. As a result, the national economy started to be challenged on the local and national levels (Ibid., 81-4).

Moreover, economic expansion during the 1950s and 1960s, strengthening of unemployment benefits and other social securities favored organized labor in the economic sphere. This became more problematic when producers attempted to restructure labor processes and decrease fixed costs. In this manner, the welfare expansion brought an institutional framework to social wages that affected the profits and accumulation of large corporations during downward business cycles. On the other hand, two oil shocks in the 1970s changed the balance of power in favor of oil suppliers, since the production growth was possible through an increasing oil supply with diminishing price levels.

Other challenges emerged with the inward and outward flow of goods, services and capital as well as the integration of division of labor at local, regional, national and global levels. The endeavors of companies to search for locations abroad in order to escape the national restrictions did not provide the policy makers with many alternatives to maintaining full employment, growth, stable prices and balance of payments. At the same time, regional and local economies experienced specific problems that were not solved within the national macroeconomic policies directed from the centre and hence the national scale was not able to keep up its advantage in the promotion of growth, innovation and competitiveness. This brought a shift from demand-side to supply-side policies with the aim of integrating local, regional, national and global economic spaces.

Without doubt, this shift was a result of the conceptualization of wage as an international cost of production rather than the basis of domestic demand as in the Keynesian understanding. Emergence of "flexible" production, innovations, scope economies and a new pattern of consumption paved the way for this new conceptualization of wage and hence replaced, to a great extent, the Fordist growth model of mass production, economies of scale

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and mass consumption. The increasing circulation of money as a financial capital also challenged the Keynesian demand management by forcing the policy makers to abandon fixed exchange rates, which were influential on the state revenues.

This brings us to Jessop's second point of fisco-fiscal crisis in Fordism (Ibid., 84-7). Broadly speaking, in the Fordist mode of production, a state was largely dependent on taxes for its revenues and expenditures. The increase of unemployment, starting in the middle of the 1970s, forced different economies to decrease their tax bases for social security payments since they were related to wage earner taxes. Decline in profits and redistribution of tax burdens also intensified the weakening of the capitals' contributions to the revenues of their states. On the other hand, reliance of welfare policies, like housing, health, family benefit payments, early retirement and unemployment payments, augmented the state expenditures more than the contribution of taxes during the 1970s and 1980s. During this period, expenditures of states were mostly concentrated on technological innovation and economic restructuring and hence reduced the level of resources that were allocated to these social fields. Tax costs of a welfare state and government borrowing in financing welfare expenditures gave rise to discussions on the role of state considering inflationary pressures on the economies of most OECD countries. This was reflected in the unfeasibility of reaching full employment as a Keynesian formulation in comparison with the input of part-time, temporary and discontinuous employment patterns. Therefore, emerging forms of organization in the labor process and labor market caused challenges to the organization of welfare state because of its levels and methods of financing social policies.

Third, resistance to taxation and stagflation, disputes among industrial capital and organized labor, rise of new social movements and problems related to the top-down state planning and corporatism structured the political "crises of Fordism" (Ibid., 87-9). Being mostly associated with a welfare state, Fordism faced with the narratives of bureaucratism,

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centralization and intensification of personal dependence. These have been formulated in reference to stagflation and rigidity as constraints on the competitive capacities. In addition, the methods for conducting welfare policies generated distributional and status conflicts in the middle and working classes, in which the former made use of education, housing and health benefits. The expansion of welfare policies, being possible only with a sufficient budget financed mostly through taxation, brought different challenges from various social units. For example, decomposition of nuclear family form, as the driving force of mass consumption, shaped the demand for state support in supporting single parent families, education and sickness. As a result, the fields that required the state's intervention in terms of social policies expanded the expenditures and hence the resistance to finance it.

Fourth, social tendencies like denationalization of civil society, expansion of diverse identities, social movements, politics of difference and ideas on personal empowerment challenged the coupling of nation and state, which were formulated in the understanding of Fordist national economy (Ibid., 89-90). Moreover, increase of population and level of retirements not only worsened the economies of scale but also intensified the fiscal crises.

When we look at all of these patterns that led to the "Fordist crises", it will not be incorrect to formulate them briefly in relation to the production and labor processes. That is to say that technical limits affected the application of fixed capital and the realization of economies of scale. Since Taylorism and Fordism were not compatible with all sectors of production and different techniques were utilized as much as possible, "flexibility" in the production process became inadequate under the policies of demand management. It even got worse under the pressure of full employment attempts during the business downturns. Increasing competitive pressures from different countries on low-cost and low-tech production also coupled with efforts to specialize in new technologies and intensified with capital flows and trade. Thus, through stagflationary tendencies and working class resistance

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to the production processes the ideal circle of mass production and mass consumption turned out to be harder to achieve. In this framework certain measures were applied to cope with the "crises of Fordism" that led to the emergence of a conceptualization on "post-Fordism".

First, a "flexible" production process through suitable machines and a suitable workforce has appeared and microelectronic-based information and communications technologies became the driving forces of this labor process (Jessop and Sum 2006, 77). These technologies are applicable to various work forms and enterprise scales. They can create a constant flow of information about human and machine operations and hence integrate activities in various countries, departments, sites and organizational levels. In this way, it leads to the expansion of flexible producer relationships. In return, it will enable the producers to deal with the resistance of workers, change the diminishing quality of goods, solve the stagnation of Taylorism and mass production, compete with low-cost producers from different parts of the world, meet the demand for specialized goods, overcome the cost of non-Fordist service sectors and expand productivity in particular manufacturing sectors (Ibid., 78). This necessitates a capacity control knowledge and information in responding to changes in the world in order to maintain competitive advantages (Harvey 1990, 159-60). "Flexible" production systems have become part of the latest scientific discoveries in the universities and research institutes. Hence, knowledge itself turns out to be one of the key commodities, which goes beyond the conventional pattern of homogenization around a semi-skilled workforce in Fordism.

Second, an ideal model of "post-Fordism" as an accumulation regime expands through a chain of "flexible" production, increases production depending on economies of scope, raises the incomes of skilled workers and the service class, affects the demand for differentiated goods and services, augments profits that are provided by technological rents and full utilization of "flexible" capacity, reinvests in more advanced "flexible" production

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equipment and techniques and hence upsurges economies of scope (Jessop and Sum 2006, 78). In this ideal cycle of accumulation, "post-Fordism" will be based not on the growth of home market, but rather on different trends in global competition. It combines the old and new markets to go beyond the constraints of national demand conditions.

Third, "post-Fordism" theoretically favors supply-side innovations and "flexibility" as a mode of regulation. In terms of wage relations, unlike the homogenization around semi-skilled labor force found in Fordism, "post-Fordism" tends towards a polarization between a skilled and an unskilled labor force. This "flexible" pattern of work includes a core and a periphery group of employees (Harvey 1990, 150-1). In the former case, employees enjoy greater job security, good promotions and generous pensions, insurance and other benefit rights. They are probably the ones that can easily be integrated into "flexible" and geographically mobile production conditions. However, the increasing cost of production may lead the firms to search for sub-contracting and hence the number of people in this group diminishes. In the periphery there are two sub-groups. The first group includes full-time employees in the labor market. It is characterized by high labor turnover that brings work force reductions. The second peripheral group consists of part-timers, casuals, fixed term contract staff, temporaries, sub-contractors and public subsidy trainees. They have less job security than the first peripheral group. Evidently, this "flexible" pattern of work does not change the so-called segmented labor market; rather, it restructures them according to the current trends in the market.

When we examine the enterprise system in the ideal formulation of "post-Fordism", a shift from hierarchical, well-staffed and bureaucratic form of corporate structure to a more "flexible" form of organization is also visible. The aim to respond quickly to the changing demands of market has forced firms to establish strategic interdependencies. This encourages the utilization of outside consultants, specialists and subcontractors, as well as places the

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emphasis on teamwork, internal competition, joint ventures, collaborative researches and designs and alliances/partnerships. The small-batch production and sub-contracting emerge as widely preferred forms of organization, especially for the enterprises under the pressure of competition and struggle for labor control (Ibid., 155). Product innovation and highly specialized small-scale market niches seem to be also essential in the rise of this "flexible" production system of firms. In terms of the goods and services that they offer, there is a huge divergence between giant transnational firms and a multiplicity of small firms. It is a result of reduction in turnover time. This is the main component of capitalist profitability and is related to the accelerated turnover time in consumption. For most of the firms, competition is defined not only in terms of production costs, but also in quality and performance of individual products, sensitivity to customers and adaptation to changing market conditions. All of these underline innovative entrepreneurialism that evolves through fast, vital and up-to-date decision making.

However, the structure of this enterprise system cannot exist without the developments in the financial sphere. The reorganization of the global financial system and enhanced powers of financial co-ordination make it possible to deal with the "crises of Fordism" (Ibid, 161-162). Deregulation and financial innovation enable the circulation of private bank credit in more "flexible" forms that can escape the restrictions of central bank controls. The logic of international money and currency markets accelerate the geographical mobility of funds and establish a single world market. This structure creates a complex puzzle. The industrial, merchant and landed capital become more integrated and it gets even more difficult to separate the interests of industrial, commercial and financial activities. An example of this complex picture can be seen when one look at the techniques of profit making (other than direct production of goods and services) like monitoring of international

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markets by multinationals to benefit from currency shifts and interest rates, corporate raiding and asset stripping of other corporations (Ibid, 163).

The new financial system gives more autonomy to the banking system and even directs "post-Fordism" to search for finance capital as an organizing power (Ibid, 164-166). Such a system emerged with the breakdown of the Bretton Woods agreement and challenged the power of nation-state to control flow of capital. The acceptance of a flexible exchange rate system in 1973, to cope with the speculative currency movements against the dollar, asserted that there is no single power to control world fiscal and monetary policy. This has pushed different state fiscal policies to get under the umbrella of financial disciplining via capital flow or institutional measures. An appropriate example can be the allocation of IMF and World Bank as the central authorities in exercising the collective power of states over international financial negotiations.

Last but not least, these changes inevitably reinforce a shift in the role of the state, i.e. state's restructuring through its role in promoting competition. Broadly speaking, it is a shift from the demand side to the supply side, in order to provide the necessary framework for enterprises. However, we cannot talk about a predominant model since local, regional and national contexts are various, just like the fragmentations in the mode of societalization.

It should be acknowledged that "post-Fordism" remains a weak analytical concept because of the variety of cases and difficulty in considering it as a completed final form. By saying that I do not intend to undermine the transformations in the Fordist practices of production. Rather, I try to underline the difficulty in reaching a full-fledged homogenous conceptualization on "post-Fordism". An example can be given from the shift towards "flexibility" in the manufacturing sector. Changes have been occurring in the labor market of this sector since the middle of the 1970s, even though one can have different arguments about its limited scope and partial realization. At this point, it is argued that a decline in demand

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could not make the application of "flexible" manufacturing technology profitable because of capital concentration in these investments (Boyer 1997, 1-63 and Sayer 1989). Moreover, the application of "flexible" manufacturing technology turns out to be questionable in reference to the debates on periodization, since there is the permanent role of mass production and uneasiness when defining a decisive wave of innovation. However, these points can be better illustrated when we look at the historical features of Germany.

2.2.2 Germany, Its Enterprises and Their "post-Fordism"

Since the latter half of the 1970s, two broad developments have been influential in creating the production structure of the Federal Republic of Germany. At first, it was the growing integration of international financial markets and global monetary shocks (Herrigel 1996, 275). Two oil crises, international debt conflicts and high interest rates in the United States put a lot of pressure on the German governments. These were particularly significant in the efforts of policy makers to secure the value of their currencies during the downward business cycles. They were challenges to maintain the growth of demand according to the Keynesian understanding. Floating exchange rates were dominating the monetary policies and there was a growth in public debt because of the high level of interest rates. These inevitably caused significant unemployment rates in the West German economy, particularly in autarkic regions and hence encouraged the supply side policies in order to increase the level of domestic investments that are necessary in creating jobs.

This shift to the supply side was the second major development since the latter half of the 1970s. The intensification of industrial competition between advanced industrial states weakened the post-war consideration of stable mass production. Speeding up of technological innovations and their reflection in product changes mainly took place due to the level of competition in global markets. In this context, most of the firms were not able to control the evolution of technology in the related sectors. This affected their stable ground to direct the

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investments and transaction risks via integration. Thus, it created a demand to reform the organization of the firms and simultaneously to decentralize production that could have different impacts on the structure of state and regional levels in the German economy.

These trends ended up with the re-regulation of federal structure of German governments and industrial relations, but not with drastic reforms and arrangements. On the one hand, incompleteness of centralizing reforms during the 1950s and 1960s promoted the implementation of decentralization in the structure of federalism during the 1980s and 1990s. On the other hand, centralization and firm supporting reforms of the previous decades provided the ground for decentralization in industrial relations. Therefore, in both autarkic and decentralized industrial orders the institutional framework of German political economy had begun to change during the 1980s and 1990s. However, the initial responses to the crises of the 1970s happened within the already existing features of growth and regulation. This was reflected in the *Modell Deutschland* program and selective form of social partnership to preserve the export orientation of the economy.

As the manager of *Modell Deutschland,* during his chancellorship from 1974 until 1982 under the coalition of SPD and FDP (*Freie Demokratische Partei*, Free Democratic Party), Helmut Schmidt did not intend for a radical break from this program to occur even though the strategy began to deteriorate at the end of the 1970s (1985 and 1998). The program was defined by a combination of long-term investments, high capital stock per employee, better quality and reliability in products, a collaborative approach to innovation, emphasis on up-grading, increasing competition via limiting unit labor costs, social responsibility in the workplace, budget consolidation and a stable value of national currency (Dyson 2002, 136). This trend continued until the early 1980s together with the rise of unemployment. With the exhaustion of SPD's approach through Schmidt's Keynesian style of macro-economic co-ordination, a new pattern emerged with the coalition of CDU and FDP

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under the chancellorship of Helmut Kohl from 1982 until 1998. Kohl's administration was also committed to West Germany's dominant world market position in capital goods and advanced technology, as well as the cooperation of unions and capital in the country. However, policies starting with the Kohl administration started to adapt the overall *Modell Deutschland* program to the conditions and understanding of "post-Fordism" (Jessop and Sum 2006, 137). Before exploring these policies and strategies at the local, regional and national levels, it may be helpful to consider some particular events in the decentralized and autarkic industrial regions.

The understanding that allows the co-existence of mass-producing large firms and small and medium sized capital goods suppliers in the regions dominated by decentralized industrial order has failed to work since the late 1970s in West Germany (Herrigel 1996, 177-9). In the broader context, stiff and hierarchical strategies of mass producers started to change in the world market conditions. This promoted the "flexible" quality production capabilities of suppliers in decentralized industrial order. Throughout the 1950s and 1960s, the United States was at the top of a hierarchy in terms of technological sophistication, which was followed by "European" and Japanese producers. This order was guiding the flow of trade, investments and features of competition. New products were developed in the United States and then the know-how was diffused to other countries. The large-scale enterprises constituted a decisive role in this order, since they were trying to make use of particular technologies in different countries. However, during the 1970s, the "European" economies started to develop their own technologies building upon the know-how imported from the United States. Consequently, the market in "Europe" became more fragmented and competitive, which to a certain degree ended the technological dominance of Germany. In addition to this, the penetration of the Japanese economy with a broad range of manufactured goods and the comparative advantage of developing country producers, especially in

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standardized mass products, concerned the "European" producers and forced them to search for new adjustments, even though the challenge was not sophisticated or widespread.

These initial concerns paved the way for more direct policies at the beginning of the 1980s. The fragmentation in the markets and competition in terms of technological innovation pushed some firms to displace their production sites to lower-wage countries and some others to shift their production capabilities to higher value-added markets and hence to avoid the challenge from low-wage countries (Ibid., 180). In the rest of the 1980s, technology accelerated its spread and closed the gap between competitive and niche markets. This boosted the product development costs in relation to the shorter product cycles. Moreover, the producers were faced with the problem of continuously supplying new technologies, when they were trying to develop their traditional products. As a result, small and medium scale enterprises of the decentralized industrial order in West Germany became one of the most suitable forces for the logic of competition to survive in the world markets.

The success stories of small and medium scale enterprises were dominated by regulations that encouraged integrating new technologies into their traditional production structures, responding quickly to the desires of customers and lessening the cost gap between their products and those of mass producers. On the other hand, the success of these small firms was partly the result of crises that large-scale enterprises were confronting in terms of production organization in the decentralized order surrounding them. At the beginning of the 1980s small and medium scale firms attracted most of the attention because of their characteristics like intense ties with various institutions that provide information on technology and markets, emphasis on a trained labor force and contacts with different producers. Their traditional strategy on customizing and specialization were influential in the incorporation of new technology in the production processes and the cost reduction of

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customized goods in relation to the standard products. Still, a couple of changes in the organization of production enabled these firms to go beyond their traditional strategies.

Although subcontracting has always been a key strategy for small and medium scale enterprises in the decentralized industrial regions of Germany, it has changed over time and served as an adjustment mechanism (Ibid., 182-6). As discussed above, subcontracting was the primary source for these producers since they were paid for responding to customers' needs during most of the 19th century. Later on, the coordinated specialization, implemented as a reaction to the Fordist understanding of mass production, brought along a kind of concentration on particular products by different firms. In this framework, they restricted the solutions to the customers' needs and focused more on the production of their machines and on rationalization of production inside the firm. Thus, specific skills combined with specific hierarchies. This led to the emergence of vertically integrated and internally rationalized structures. Such a stable system also promoted internal value creation. Yet, during the 1980s these firms moved towards a more intense and open form of subcontracting due to three reasons (Ibid., 183-4).

First, the need to access technological information and expertise in production initiated paths that broke down vertical integration practices. This initiated the ability of subcontracting, in certain aspects, to provide solutions for the special needs of customers. In other words, a firm that does not have a special item for the production of a particular machine can purchase it from a company specialized in this item. By pursuing this goal, they did not have to spend extra money and time on the production of this item. They could become less vertically integrated in production and more connected to other firms in exchange for know-how and expertise.

Second, it had something to do with their desire to diffuse the risk in production. Since improving all the required technological sub-specialties in their own production sites

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could generate huge costs regarding the uncertainties in the market, small firms intended to diffuse the risks as much as possible through subcontracting.

Third, it was the desire to lessen the costs and product development cycles. The small and medium scale enterprises made an effort to bring together development and production personnel. This was done to be more collaborative and integrated and hence to save time and money. In the 1980s the trend of improving "flexibility" provided more freedom for the skilled labor force during the production process. Still, subcontracting remained more successful than re-defining the internal organization of the firms.

Mainly deriving from these reasons, subcontracting became more intense during the 1980s and 1990s and to a certain extent resembled the practices of their predecessors in the 19th century (Ibid., 184-5). They loosened the boundaries of the firms, diffused production and hence started to depend on a decentralized structure of suppliers. This broad circle of suppliers served as a stage to share know-how, risk and cost of production and to generate a local demand with the support of local banks. On the other hand, these intense relations did not prevent the fears of dependency and provoked restrictions of attachments to certain producers and customers. As a result, we are faced with relations of subcontracting, unlike dualist relations of customers and producers in a Fordist mass production system and solid vertical arrangements of a Japanese production system. These were horizontal and plural relations that required the fragmentation and exchange of expertise, know-how and risks within decentralized business cycles.

Nevertheless, it was not only these changes in the organization of production that gave rise to the popularity of small and medium scaled enterprises during the 1980s and 1990s in Germany. Various institutions also provided services for the needs of producers in terms of technological information and expert consulting, which helped these firms to stick to the logic of competitiveness and "flexibility". For example, during this period, regional banks

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regained the active role they had held in the late 19th century, by responding to the adjustment pressures of these firms (Deeg 1992). They gave capital and consulting advice about different markets and possible strategies and acted as the responsible bodies for the savings of their individual customers. Furthermore, during the cooperation or subcontracting of small and medium scale enterprises, regional banks performed as a neutral third party to offer crucial information and maintain mutual reliability. From time to time, they worked together with regional governments and established corporations for the capital demand of their customers. In this framework they acquired some of the funds of the firms but did not get involved in managing and auditing the firms. Just like the regional banks, business and trade associations took the necessary measures to help their members in the implementation of new technologies through various programs. They tried to be active in the proliferation of relations both for the exchange of technical know-how and expertise to remain competitive in different regions. Another example can also be given from private and public organizations that offered various services to these firms. In providing information on technical consulting and planning, they utilized the research that was conducted by a variety of foundations and universities.

However, we cannot consider the last two decades as homogenous periods in the development of small and medium scale enterprises. At this point, a snapshot of the transformation of large-scale enterprises in decentralized regions can also be essential to reflect on the position of small firms during the 1990s and distinguish them from large corporations in autarkic regions. The competitive environment and introduction of new technology forced large-scale enterprises to search for alternative organization styles (Herrigel 1996, 189-92). This was accomplished with the weakening of vertical integration, which provided access to the small producers. These relations were especially successful in the formation of subcontracting relations and utilization of resources. In the redefinition of

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corporate hierarchies, reforms concentrated on the relations between a central office and its operating units. In other words, decoupling of vertical operations enlarged the decision-making autonomy of operating units that had been at the lower levels. This encouraged the operating units to act like small companies and to get involved in outside contacts. The central offices of corporations were able to get in touch with regional authorities, banks, business and trade associations and other players more easily and efficiently. Consequently, it modified the balance of power in the decentralized regions. By the 1950s and 1960s, small firms were mostly subcontractors of mass-producing, large-scale enterprises and were lacking the capacity and know-how to control the technology. But, with the arrival of the 1980s, the only alternative for large-scale enterprises to remain competitive and acquire a controlling capacity was the technological information, know-how and innovation directed by the small specialist firms. This strategy did not prevent them from competing globally; on the contrary, it opened the path to make use of every local possibility. Simultaneously, it allowed the small producers to benefit from the investments of multinationals, since they relied on the technological expertise and local resources.

Although this competitive advantage of small and medium scaled enterprises continued during the 1990s, accounts like German reunification, "Europeanization" and changes in the international market environment brought new dimensions to the business cycles in the German economy. Broadly speaking, German reunification in 1990 and its aftermath were shaped by the interventions to prevent the migration of German Democratic Republic (GDR) citizens to the Federal Republic and to extend social and economic wealth to the GDR. In this sense, the policy makers did not consider the transformation of political economy in the united Germany. Rather, they focused on the incorporation of the GDR into the institutional and political framework of the Federal Republic (Dyson 2005, 124). The policies ignored the large productivity differences between the two systems. The high level of

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the exchange rate between the GDR Mark and the DM, which was set against the concerns of the Bundesbank, and fast convergence of wages between east and west, resulted in loss of output and jobs during this period. Additionally, huge transfer payments from west to east generated negative effects on fiscal deficits and public debts.

Similarly, the "European" single market and Economic and Monetary Union had crucial impacts for the organization of small and medium scale enterprises (Ibid, 122-4). First, competition policy in the single market has been implemented through a supranational regime that deals with mergers in an evolutionary way. This created different conflicts between the institutions of the European Union and federal government and/or regional governments, as in the case of subsidy policies. Second, elimination of exchange-rate risk and price-cost transparency within a single currency intensified the pressures of competition. Accordingly, only investments and wages remained as instruments of adjustments. Third, Germany's entrance into a single currency at a high exchange rate affected its advantage in the euro-zone, especially during the depreciation of the euro against the US dollar, even though it initially led to the growth of export. Fourth, with the shift to the euro, Germany was not able to benefit from the fall of nominal interest rates outside its territory because of its role in the value of currency. Fifth, higher real interest and lower inflation rates in Germany, unlike other countries in the zone, increased the costs of investments and worsened the capacity to deal with fiscal problems.

In the international market, the space for the expensive higher quality and customized goods narrowed during the 1990s. This was because of the producers in Japan and the United States, which were able to lessen the prices and decentralize innovation much more than the ones in Germany (Rommel 1995 and Herrigel 1996, 195). These firms reorganized production by breaking down the boundaries between firms and by splitting the internal divisions into units of production.[xxxv] Such an extremely "flexible" organization dispersed

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various departments. They tried to benefit from different teams with the aim to keep inventories low in the production process. They also removed the fixed roles in the workplace and reunited conceptual development and production designs in different units. These production teams engaged in self-monitoring processes under low inventory conditions and enabled the continuous flow of information about the nature and organization of production. Thus, these organizations with their more "flexible" worker autonomy and cross-functional and cross-departmental cooperation challenged the capacity of subcontracting, resource inventiveness and specialized and trust relations of small and medium scale enterprises in Germany.

The characteristics that are taken for granted in the decentralized system and restrictive skill categories in production are decisive in the development of this challenge (Herrigel 1996, 199-200). In the case of the latter, the whole system of vocational education and hierarchical management organization are calculated in terms of the fixed identities in possession of particular skills (Lane 1989, 62-136). These hierarchies are paternalistic and considered as general norms for the prosperity of the German economy. In the case of the former, with the period of rationalization formal departments dominated the logic of management. They set conceptualizations for different roles and in turn re-produced the hierarchies. These roles and stable hierarchies set the norms of rigid bargaining during the introduction of a new product or technology. In other words, departments and certain forms of expertise desire to acquire a dominant or at least a decisive role to maintain their position. Such jurisdictional disputes do not affect Japanese and American producers, since they are able to combine the functions of various departments and utilize modular sourcing and team-managed production lines to lower costs and meet customer demands.

Similar to the small and medium scale enterprises in decentralized industrial order, large-scale enterprises in autarkic industrial order also experienced certain changes in

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adjusting themselves to the transformations of the world market. While some of these producers (e.g. coal mining, steel and shipbuilding) practiced full decline, others (e.g. machinery and light manufacturing) had only partial adjustments because of their own barriers. In the first case, the increase in specialized producers and the intensification of fragmented markets caused a shift from the utilization of core products to substitutes (Herrigel 1996, 236). Growing competition brought various opportunities to produce "flexibly" and reduce the size and scale of operations. These forced many suppliers to shut down production or to become only regional powers. In the second case, the producers were also facing problems of overcapacity, changes in technology driven competition and fragmented markets. But, they were able to respond to these changes by reorganizing the internal structure of firms and decentralizing production and administration (Ibid., 237). Unlike their counterparts in decentralized industrial order, which were successful in separating production from the boundaries of firms, these large-scale enterprises were confronted with the strong centralized institutional forms of governance in the process of production.

Actually, to promote more "flexibility" and exchange of information and know-how among the operating units most of these large-scale enterprises created autonomous profit centers (Lane 1995, 69-79). This was being pursued to achieve local freedom and responsibility and hence to spread risk and innovation. The breaking down of functional divisions within the units and their dissolvement into multifunctional teams were also done with this purpose. Moreover, the external pressures like collaboration and subcontracting influenced the endeavors for decentralization.

However, all of these efforts remained insufficient because of the institutional and political rigidities in these highly integrated firms. This was experienced mostly in two forms (Herrigel 1996, 240). First, vertical integration did not allow these firms to depend on the

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infrastructure of small and medium scaled enterprises in decentralized regions, which helped them to form collaborations and created employment opportunities through decentralization reforms. Thus, each attempt to decentralize was considered a threat to the employees in these large-scale enterprises and led them to develop different forms of resistance. Second, the idea of competition relied on the understanding of a capacity to produce and develop as much as possible, within which workers and their representatives acquired a decisive role. The shift to a decentralized system of production was a threat to the traditional codetermination principle in Germany. At this point, it will help to complete the picture of transformation in Germany since the late 1970s if we examine certain policies as restructuring mechanisms of the state.

2.2.3 Policies after the "Crises of Fordism"

In Germany the transition to "post-Fordism" occurred in an evolutionary way rather than a radical break and hence went through the re-formulation and correction of earlier agendas. This can be most clearly seen in the policies during the periods of Kohl (1982-1998) and Schröder (1998-2005). Before examining some of these policies, it is worthwhile to acknowledge that a homogenous understanding on German economic policy cannot be claimed even in these last three decades. For example, it would be misleading to consider a full-fledged consensus on the social market economy to be the principle value of the German state. Thus, it will be illustrative to underline the existence of a set of advocacy coalitions in directing German economic policies.

According to Dyson, three competing coalitions can be defined in the formulation of policies in Germany (2005, 118). The first group is the ordo-liberal coalition. They can be defined in terms of their emphasis on the role of state in shaping the framework of economic stability through the rules of a competitive market. The second group is associated with the managed capitalism approach. Their emphasis on the role of state mostly underlines the principles of social responsibility. In other words, social solidarity needs to be encouraged so

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that benefits and costs of economic adjustments can be fairly practiced. The third group is named as the neo-Keynesian coalition, in reference to the leading figures like the German Trade Union Federation (Deutscher Gewerkschaftsbund, DGB) and former SPD leader and Finance Minister Oskar Lafontaine. This coalition group stresses the role of state in demand management, similar to arguments and policies during the 1950s and 1960s. This is pursued to optimize growth and job creation via fiscal instruments of taxation, public expenditure and deficit management. Considering these intermingled perspectives on German economic policy since the late 1970s it would be incorrect to argue total continuities and discontinuities between Schmidt's (1974-1982), Kohl's (1982-1998) and Schröder's (1998-2005) policies (Leaman 2009).

2.2.3.1 Continuities and Discontinuities during Kohl's Administrations

Kohl's administrations partly followed the industrial policies of the SPD-FDP coalition (1974-1982) with more emphasis on new technology and research for the development of innovations (Esser 1986). Broadly speaking, these policies focused on the consistency of West Germany's industrial core, and in that sense did not favor high-tech products and sectors. Rather, they took policy measures focusing on different sectors with the aim of societal guidance, which cannot be associated with the previously dominating role of corporatist arrangements connecting unions, business and state. This corporatist structure mostly existed during the Fordist era as an establishment of class compromise (Lane 1995, 121-2).

According to this national pattern in the Fordist era, industrial relations have been characterized with a dual structure, namely, nationally coordinated unions at regional industry levels and elected work councils at the company level (Thelen 1992, 61-105). The former has the recruiting and bargaining power regulated by law and only holds an advisory role in the workplaces. The latter has no power in collective bargaining but is informally able

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to cooperate with managers, because of the wide range of information and co-determination rights work councils maintain. The state does not participate in collective bargaining between DGB (composed of 16 industrial unions) and German United Employers' Association (BDA, *Bundesvereinigung Deutscher Arbeitgeberverbände*). However, it shapes the process with a comprehensive legal regulatory framework to preserve the social and employment aspects of national policy. Despite the chance of compromise on both sides, the system created its problems for employers due to slow and costly decision making processes. It was this particular moment that we witnessed a kind of discontinuity in the German economic policies. The policies of Kohl's administrations became more in favor of a transition to "post-Fordism" than Schmidt's political support of the unions, which were essential for the maintenance of *Modell Deutschland*.

To put it in a broader framework, after the first oil shock in 1974, Willy Brandt's administration (1969-1974) did not have an alternative but to settle for a public-sector wage increase of above 10 per cent (Streeck 2005, 142). Uneasiness in government's capacity to deal with the demands of unions pushed the Bundesbank to call for a monetary policy that was non-negotiable for unions or the government. It led to a sharp increase in mass unemployment and ended with the resignation of the ruling government. With the aim to solve these problems, Schmidt's administration relied heavily on the *Modell Deutschland* program. The program, with an emphasis on careful fiscal policy, price stability, an independent central bank, a low degree of labor market unrest and low inflation, required certain conditions to exist.

According to Wolfgang Streeck, first, worldwide product markets for quality-competitive goods should be large enough to keep on full employment policy, especially in an economy where price-competitive markets are traditionally limited (1995, 15). The demand in a quality-competitive economy relies not only on the historical global demand but

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also on the competitive capabilities of other economies, level of domestic product innovation and domestic production costs. Second, product innovation should be quick to provide a sustained level in the quality-competitive market. This asks for perpetually high investment levels in research and development, culturally embedded knowledge of production and diffusion and capability to follow the changing markets and technologies in terms of management technology utilization, organization of work and skill formation. Third, labor supply of the economy should satisfy the volume and character of demand in quality markets with high skill and high wage jobs. Only a small portion of the workforce should be unable to take part in high skill jobs so that they must be sustained via welfare state funds. Others in the labor market should be able to gain high wages deriving from their skills by collective bargaining and social citizenship. Additionally, demand side employment restrictions should be put into practice by cutting labor supply and reducing working time and age of retirement. As decisive policy measures, they could be applied if the market of high quality products were not developed enough, since they aim to distribute high wage employment opportunities.

However, the changes in the latter half the 1970s did not allow Schmidt to fully defend requirements of the program. The government was politically not able to become involved in the collective bargaining process. It did not have the power to push for a budget to maintain the policy of full employment, even though it needed the support of unions (Streeck 2005, 142). Bundesbank's insistency on monetarism, which intended to control the expansion of money supply through price stability due to the risk of inflation, led the unions to leave the Konzertierte Aktion (Concerted Action) in 1978. Schmidt's administration also tried to find a way for the policy of full employment via internationally concerted fiscal deflation, but the shift of the United States into a tight money policy and second oil shock in the world economy in 1979 declared this attempt as a failure before it was achieved. The

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result was a rapid growth of public debt and unemployment levels, which brought the end of the SPD-FDP coalition in 1982.

In this context, Kohl's coalition government (CDU-FDP) underlined two pillars, considering the transformations in decentralized and autarkic industrial orders. On the one hand, the government was encouraging employers to adapt themselves to "flexible" production techniques, as well as stressing the need to resist the unions' efforts to reverse job losses and to promote laws supporting more "flexible" working hours (Jessop and Sum 2006, 139). This attempt was materialized with the legislative changes constraining the rights of workers (e.g. working hours, conditions, dismissal) and lessening the rights of unions at the plant level. In that sense they re-formulated the rules between the capital, organized labor and state. This pushed unions to accept certain norms of "flexible" production and decentralization. Without doubt it did not favor non-unionized workers. On the other hand, successive Kohl administrations worked together with unions in high-tech sectors via co-determination in order to take them into the transition process. These two perspectives went hand in hand to trim down the dependence on corporatism at the national level and to balance it with regional and local policies as a reflection of welfare state reconstruction.

In pursuit of this goal, social policies became a focal point during Kohl's era (Leaman 2009, 43-73). These were crucial for Kohl's administrations especially because of the pressure to deal with the high unemployment rates. The main policy was to let the social security system absorb the victims of industrial restructuring under the high wage and high productivity labor market norms. The working time flexibility and national strike of IG Metall in 1984 could be given as illustrative examples. After an intense bargaining between the union and employers over a strategy of work redistribution in the form of a reduction in time worked, the union won a gradual introduction of 35 hours per week, but, it sacrificed its power of wage bargaining at the workplace (Streeck 2005, 144). Employers responded with

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improvements in productivity that generated a surplus in the workforce. This was further intensified with redistribution of work in the company and decentralization of collective bargaining. They gave great power to the employers at the firm level. As a consequence of this process, the government, employers and unions agreed on adherence to the welfare state policies like the Early Retirement Act (*Vorruhestandgesetz*) in 1984 and the Law on Part-Time Work for the Elderly (*Altersteilzeitgesetz*) in 1988.

These laws allowed firms to restructure their organization in terms of production techniques and decentralization. Yet the need to fund these policies increased and in turn non-wage labor costs became burdensome by the late 1980s. The Federal Labor Office (*Bundesanstalt für Arbeit*, BA), which was responsible for financing the measures of 1984 and 1988 with additional federal grants, was also faced with the challenge of reunification (Czada, 2005 167-8). The costs of reunification were mostly on the shoulders of western German employers and workers, because of the increase in the social-security contributions. This meant nothing but the growth of costs and further reductions in labor supply (Leaman 2009, 99-137). Since the German-style pay-as-you-go system was built on the contributions of wage earners, the transfers to pensioners as cash benefits were highly affected from the reductions in the work force.

In 1989 it was declared that pension funds had the highest cash reserves since the introduction of pay-as-you-go system. This was intended to put the burden of pension provision on the individual contributors (Jessop and Sum 2006, 139). The motives behind this policy were to improve the economic climate for businesses and competition and to save money in the face of demographic challenges like the decline of birth rates and growth of the number of people in retirement. In addition, it tried to differentiate between employees and economically inactive poor through social policies. To put it differently, it was a springboard to minimize the costs and hence maximize the profits through increasing the responsibilities

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of individuals. Encouraging people to make their own provisions from their earnings and then to meet their needs in the market can be seen as the privatization of social risk. It is a reconstruction of the welfare state by cutting the services it provides and promoting self-help programs to let individuals decide on their futures and capacities.

Supporting measures were taken with the deregulation of labor markets. For example, in 1989 the report of the government's Council of Economic Advisers asserted the need for a shift in the demands of unions from work quality to quantity issues like wages (Czada 2005, 173). It was a desire to augment private consumption through an offer that was a combination of lower taxes, lower social-security contributions and high wages. Likewise, during the Kohl administrations, Germany started to experience a gradual increase in the number of part-time jobs that were tax-free and partly free of social security contributions and rights. These part-time jobs enabled primarily younger people and women to get into the labor market. In this sense, it tried to balance the Bismarckian social insurance understanding that was built upon the skilled and highly paid male breadwinners. Hence, it not only targeted lower unemployment rates among different social groups but also attempted to lessen the level of marginalization in society.

Moreover, the number of pro-forma self-employment increased particularly during the 1990s (Ibid., 170). By organizing themselves as self-employed sub-contractors, most of these employees made an effort to avoid the payments of social security contributions. Although they still rely on an employer, the growing number of pro-forma self-employment, especially in the service sector, can be regarded as a solution to the rising costs of non-wage labor in the economy and hence a response to the deregulation of labor markets.

This response not only indicates the transformation of labor markets in Germany since the beginning of the 1980s, but also underlines the challenges, which emerged as a result of Kohl's supply side policies like lowering costs, increasing productivity, "flexible"

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working conditions and reducing business taxes and social expenditures, in the industrial relations. According to Herrigel, these challenges can be formulated under three headings (1996, 283-5). First, the new production techniques required new skilled workers that could work with these new arrangements. This challenged traditional issues and policies of unions. Second, internal reorganization of firms and decentralization of production made the coherent bargaining strategy of unions more difficult. The consensus between work councils and unions became hard to achieve. Third, faced with the necessity of reformulating their policies, unions and work councils focused on the immediate problems, like defending the jobs of the weakest qualified workers. They tried to make some alliances with managers whose positions were also threatened with the trend of decentralization. This, inevitably, brought the risk of subcontracting certain kinds of work. As a business strategy, it directed firms to look for locations outside of Germany.

Under these conditions, Kohl covered the costs of reunification mostly through the social security system. This was in line with Germany's commitment to the European Union's trajectory of Economic and Monetary Union. Cutting the public deficits and not raising taxes were his main concerns (Streeck 2005, 147). However, the rise of social security contributions and unemployment rates weakened the support of employers for the government, even though Kohl attempted to reduce non-statutory non-wage labor costs, e.g. employer paid sick leave. For small and medium scale enterprises, some of the "flexibility" provisions in the 1984 settlement meant the increase of costs, as in the examples of early retirement and working time reduction. The rise of social security contributions was also a substantial disadvantage in their specialized markets. Still, they were able to make use of decentralization in the organization of the production, new technology and diffusion of know-how or expertise. On the other hand, the large-scale enterprises benefited from flexibility provisions in collective agreements, due to the foreign competition for market share and

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opportunities to pay off with productivity improvements. In addition, they were able to shift their production sites abroad, where they benefited from low wage costs and incentives. These discussions between Kohl's administrations and employers were reflected in the *Standort Deutschland* debate.

Günter Rexrodt, as the Federal Minister of Economics from 1993 until 1998, brought together a couple of concepts to clarify the *Standort Deutschland* debate; i.e. reduced enterprise taxation, better promotion of Research and Development, more flexible labor practices, promotion of technical education as opposed to academic disciplines, reliable energy policy and accelerated privatization of railways, roads and telecommunications (Smith 1994, 516). Within the context of German political discourse, it refers to the structural competitiveness of a location in comparison with other locations within and beyond the national territory. In this manner, the location can be the national, regional or urban economy. The weakening of unions, deregulation of the labor market and restructuring of social policies since the beginning of the 1980s had great impetus on the emergence and development of this debate.

Although it has emerged during Kohl's era, it would be a mistake to associate the *Standort Deutschland* debate with the policies of the CDU-FDP coalition government. SPD and the Greens also became the supporters of this understanding during their coalition (Brenner 2000, 328). Kohl and Schröder had conflicting ideas in underlining Germany's position as an economic location during their chancellorships. However, the emphasis on the necessity of economic competition became the common ground that differentiated both of them from Schmidt, as the propagandist of *Modell Deutschland*. In that sense one has to acknowledge the spread of the *Standort Deutschland* understanding since the mid 1980s in the German political discourse over the *Modell Deutschland*, which is mostly associated with an understanding of political economy from the 1950s until the late 1970s.

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The *Standort Deutschland* understanding neither took the national territory as the primary unit of economic growth, nor promoted the nationally organized spatial equilibrium. Both of these formulations were mainly the goals of *Modell Deutschland* understanding, which intended to diminish the spatial inequalities and inconsistencies through an identical spread of capital investments among the whole population even within the smallest geographic units. Yet these goals were subject to change in the middle of the 1980s, since Germany started to move away from a total identification of capital, industrial growth or national space. This need to change the functioning of *Modell Deutschland* emerged as a result of the structural changes in the world markets and forced the policy makers not to concentrate on the equalization of conditions (through federally financed public service provisions, infrastructure investments or subsidies) that was done in the past, e.g. the Act for the Promotion of Stability and Economic Growth (*Gesetz zur Förderung der Stabilität und des Wachstums der Wirtschaft*) in 1967, the Joint Task for the Improvement of Regional Economic Structure in 1969 and 1971 and the Territorial Reform (*Gebietsreform*) of the 1970s (Brenner 1997, 294).

In the context of *Standort Deutschland*, policy makers started to highlight the competitive power of particular locations. Instead of attributing the economic spaces to the national space of economy, they started to mobilize the potentials of regional economies. In other words, different locations might have different capacities for confronting the pressures of competitive world markets. These different economic spaces do not evolve necessarily in the same direction. The place-specific conditions and requirements can be handled with regional and urban specific institutions and frameworks and hence can provide efficiency in decision-making processes (Bogumil 2001).

Above all, this trajectory was seen to be compatible with some of the commitments of Kohl's and Schröder's administrations, e.g. the "European" economic integration policy that

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was giving priority to competition among subnational locations[xxxvi], attempts to decentralize collective bargaining especially after reunification, and strategies for reforming the costly effects of state bureaucracy. Furthermore, it was harmonious with the functioning of the federal system, in which states (Länder) acquire autonomy in the implementation of federal state policies (Jeffery 2005 and Brenner 2000, 333-7). This has become a key factor after the reunification in reference to three domains, i.e. the competition among states to benefit from the limited federal funds, uneasiness of the rich states to largely cover the costs of reunification and the dominant idea of self-reliance in terms of economic growth.

These different trajectories of Kohl's administrations were to some extent summarized in the 1998 Action Plan for Employment Policy (BMWi 1998). This plan was submitted to the European Employment Strategy (EES), which serves as a framework for the member states of the European Union.[xxxvii] EES originated from the EU Commission's President, Jacques Delors' White Paper on growth, competitiveness and employment in 1993.[xxxviii] It was developed with the objectives of the Essen Strategy in 1994, the Treaty of Amsterdam in 1997 under the title of Employment in the Treaty of the European Communities and the program launched at the Luxembourg Jobs Summit in 1997. On the one hand, the Action Plan for Employment Policy of 1998 reflects Kohl's detachment from Schmidt's *Modell Deutschland* understanding, even though he partly followed the industrial policies of the SPD-FDP coalition. On the other hand, it reflects Kohl's legacy on the policies of the SPD-Greens coalition under Schröder's chancellorship.

This 1998 employment guideline for Germany was composed of four sections: improving employability, developing entrepreneurship, encouraging adaptability in businesses and their employees, and strengthening the policies for equal opportunities, in reference to the formulations at the Luxembourg Jobs Summit in 1997 (Zohlnhoefer and Osthim 2005). As an employment policy strategy, it underlines the need for structural

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adjustments, since competition sets the norms of new employment fields. For this end, the government calls for a continual implementation of reforms. The scope of these reforms should be in favor of private job-creating initiatives and could be improved with supporting policies of taxation and fiscal charges, as well as competition and privatization priorities to lessen the bureaucratic constraints. Social market economy is presented as the most suitable system for the creation of jobs through the supply side policies that favor the advance of investors' conditions. According to the government, supply side policies could run with the clear distribution of responsibilities not only among the decision makers but also among the individuals. Only with the help of these responsibilities could the government diminish the costs of the social security system.

This, however, does not mean a total rejection of demand side policies. In the report, supply side of the economy is given as the starting point of policy-making, through which demand for private investment and household consumption can be developed. In reference to the previous administrations, it is emphasized that demand side policies were able to control unemployment for a limited period of time, but were not able to prevent the growth of indebtedness in the long run. Similarly, the attempts at expansion of wages could generate nothing but job destroying cost effects since these rising wages were transmitted to household savings and expenditure abroad.[xxxix]

In the Action Plan of 1998, the government also declared its priorities in order to continue to bolster supply side policies through the promotion of investments. To start with, it underscores a strict government spending together with tax reforms, which can work only with an efficient labor market depending on the enhancement of training measures, integration contracts and responsibilities of the unemployed. At this point, the agreement with the employers, unions and government on the reduction of contributions to the social security system remains to be one of the main targets. This can be supported with a better

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competitive environment and according to the government, it can be achieved by strengthening the system of vocational training, initiating the scientific qualifications in the universities, promoting the "integration" of disadvantaged young people to the education system, supporting research, technology and innovation programs and improving the infrastructure systems. Moreover, the government highlights its aim for a better utilization of service industry in the creation of jobs through the encouragement of small and medium scale enterprises, which should run in parallel to the modernization of the capital market and the improvement of funding options. Lastly, it puts emphasis on the importance of environmental protection and adjustment of East Germany and European Structural Funds for the development of German economy.

Being the first Action Plan for Employment Policy, the document was submitted before Kohl lost the elections in 1998. This does not mean the end of policies that are compatible with the "post-Fordist" restructuring in the global markets and Germany. Rather, it stands for continuity in terms of German economic policies, which started at the beginning of the 1980s and remained powerful during Schröder's era.

2.2.3.2 Continuities and Discontinuities during Schröder's Administrations

In 1998 Gerhard Schröder outlined his perspective on reforming the *Modell Deutschland* program in the volume of the Friedrich-Ebert-Stiftung series "International Political Currents". Stressing the intensification of competition in the global markets of goods, services and labor, Schröder called for strengthening the image of Germany as a business location, i.e. *Standort Deutschland* (1998, 11-7). According to him, a more decisive technology policy and closer cooperation between business and science seemed to be main terrains to develop innovation and lessen the negative effects of bureaucratization. The organization of government should resemble the private sector with the removal of hierarchies and promotion of lower team groups in terms of decision-making. These should

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be supported with higher value-added production and expansion of the services sector. In addition, a better utilization of investment capital, which could be organized and achieved by "flexibility" in production, was expressed as a necessity for going over Germany's difficulties in becoming a business location. In order to catch up to the economic changes in the world markets, society has to be restructured as well. But such a transformation could be possible only if the policy makers change their way of thinking about people engaged in economic activity. Therefore, he proposed the rejection of classical thinking in the law school, which regards people engaged in economic activity as "subject to power" (Ibid., 15). Instead, he called for an understanding that treats them as customers and policy makers as service providers or servants, but not the masters.

With such an understanding of the German economic policy, Schröder intended to concentrate on issues that Kohl's administrations had failed, i.e. the crises of labor market and social security system. By pursuing this goal, the government tried to re-create the *Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit* (Alliance for Jobs, Vocational Training and Competitiveness). The Alliance for Jobs, Training and Competitiveness was formally instituted in December 1998, especially under the influence of left wing Federal Finance Minister, Oskar Lafontaine.

As an exponent of Keynesianism, Lafontaine was looking for a place of consensus between employers, unions and government in creating jobs and tax reforms (1999). Schröder's commitment to reducing the non-wage labor costs, e.g. social security contributions, in favor of competitiveness was also apparent in this plan. However, the employers' reluctance to create an alliance not based on wage restraint or reductions in corporate taxes, and the departure of Lafontaine as a reaction to the decision of employers, forced the Alliance into a deadlock. In this process, the Alliance also suffered from the inadequate capacity of federal government to act as a third party, since it lost the *Bundesrat*

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majority after the establishment of the Alliance. In spite of these problems, the Alliance was regarded as a necessary sphere, through which the unions and employers could confront each other. Hence, it continued to function with the moderate wage settlement in 2000 (Streeck and Hassel 2003, 117).

On the other hand, facing rising unemployment and uneasiness about non-wage labor costs, the government was in need of fresh money. Large cuts in corporate taxes and conflicts with budget consolidation targets under Monetary Union were also forcing them to take unilateral action against the limiting environment of the Alliance (Ibid., 118). At this point, a scandal in the *Bundesanstalt für Arbeit*, over the practice of officials falsifying the job placement statistics, gave the ground for Schröder to take some radical measures. The government appointed a commission under the chairmanship of Peter Hartz, Volkswagen's personnel director. This Commission on Modern Services at the Labor-Market, or the so-called Hartz Commission, was set up in 2002 with the aims of providing programs oriented towards competition, entrepreneurship and a new employment exchange service.

The Hartz Commission proposed thirteen separate innovative modules to change the German labor market system (Hartz et al. 2002). These proposals were put into practice within four steps and named the *Gesetz für moderne Dienstleistungen am Arbeitsmarkt* (Act for Modern Services on the Labor Market). The first two acts came into effect in 2003. The act of Hartz I created Staff Services Agencies (Personal-Service-Agenturen, PSAs) and provided subsistence payments and support for vocational education from the Job Agency (*Arbeitsagentur*). The act of Hartz II tried to lower the taxes and insurance payments through the Mini-Jobs and self-employment projects, i.e. *Ich-AG* (Me Inc.). Coming into effect in 2004 the act of Hartz III focused on the reconstruction of Job Center and changed its name from *Bundesanstalt für Arbeit* to *Bundesagentur für Arbeit* (Federal Agency for

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Employment). Last but not least, Hartz IV came into effect in 2005 and tried to reform unemployment benefits and the social assistance system.

Before it was restructured, the German public employment service was governed by a tripartite system that was composed of an administrative committee of fifty people (Kemmerling and Bruttel 2006). While high civil servants were running the daily operations, an executive board was conducting operational business. It consisted of representatives of the social partners. With the Hartz reforms, this structure turned into a business-like set-up with a chief executive officer and management board. The tripartite administrative board was changed into a supervisory board with less executive functions and more information rights. In the new system, profiling has become a crucial tool, which examines a jobseeker's position via interviews and tries to find an adequate job with the help of various statistics. In addition to these, the so-called customer centers (Job Centers) are formed with the merger of unemployment and local authorities' social welfare offices. They combine long-term unemployment assistance and general income-support payments (*Sozialhilfe*) and gather all the services to meet the necessities of the labor market. In these centers, jobseekers are also given counseling and support services. Such an organizational change brings the utilization of market mechanisms and contracting-out services. This process is gradually carried out by public-private partnerships. Moreover, PSAs receive payments from *Bundesagentur für Arbeit* in return for employing and lending out jobseekers. In this sense, they aim to use the temporary work as transitional measures.

Before the introduction of Hartz IV, assistance for unemployed people was running under three formulations. The unemployment benefits system was built upon an insurance principle. Employees and employers contributed equally to these funds. The period to benefit from this system depended upon the age of the jobseeker and the length of time that the person was employed in the seven years before unemployment. Once this period was over,

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the person was able to use unemployment assistance, which was financed by the taxes, for an unlimited period. On the other hand, social assistance was under the responsibility of municipalities and could be paid to jobseekers that were not able to receive unemployment benefits or unemployment assistance. A minimum standard of living above the poverty line was required to get this unlimited social assistance. With the Hartz IV act, the period that someone can receive unemployment benefits is reduced from 32 months to 12 months. Once it is over, the jobseekers can move to the second stage, in which benefit is independent from former income. This inevitably brings a disadvantage to some of the unemployed, since they used to receive good salaries and acquire the benefits for an unlimited time.

Apart from this restructuring of the assistance for unemployed people, the effective supply of the labor market was also developed through Mini-Jobs and Ich-AG. The increase of effective labor market supply is substantial mainly for lower qualified people (Ibid., 96). To achieve this goal, the Commission called for tax burdens to be lowered for low wage earners and for self-employment to be promoted to jobseekers, as well as stricter obligations. The so-called Ich-AG, *Existenzgründungszuschuss*, was presented as a tool to make possible the transition from unemployment to self-employment. The grants that are provided within the framework of this program are attractive for jobseekers with lower qualifications. Similarly, the Mini-Jobs were designed to augment employment for low-wage earners and to allow workers to earn more than before. The definition of a suitable job was also changed to increase the pressure to take a job and hence to decrease the non-wage labor costs that emerged partly with the refusal of jobs. Moreover, the possibility to set the wages below the local standards and collective agreements was pursued to motivate the jobseekers and to incline them towards competition.

However, it was not only the employment policies that went through a restructuring process. To some extent, the pension policies also became a key point of discussions during

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Schröder's administration (Clark et al. 2002). This was mainly because of the financial crisis deriving from the decline of contributors and growth of recipients, especially after the reunification. An important impact of reunification was the burden of compensation, i.e. the huge surpluses in western states needed to cover the huge deficits in eastern states (Hegelich 2004). Demographic changes were also influential on modifications of the old model through the law amendments of 1992, 1997, 1998, 1999, 2001 and 2003 and emergence of a compulsory insurance system with private retirement provisions.

Starting with the Kohl era, the pensions were adjusted in reference to the increases in annual net income rather than the increases in individual earnings. This was done in order to prevent pensions from exceeding the average net income of active wage earners (Czada 2005, 178). Going one step further, the SPD-Green government proposed a reform package that intended a radical reduction in benefit levels and a gradual change from a corporatist Bismarckian pay-as-you-go system to a capital based pension (Silvia 2002). Yet they cut down certain parts of the reform package in 2000 because of the opposition from the CDU and unions.

As a result, the reform turned out to be a mixed pension system, a combination of pay-as-you-go compulsory scheme and a private, non-obligatory model (Czada 2005, 181). In this framework employees could invest in different schemes provided by private insurers. All benefits became taxable and private pensions had to meet certain criteria to be eligible for subsidies and tax exemptions. The subsidies, essential in terms of contributions to the private accounts, targeted lower income individuals and families. However, the 2000 pension reform did not meet the need to solve long-term financial problems deriving from demographic change. For this reason, a new commission was formed for Sustainability in the Financing of the Social Security System, called the Rürup Commission. With its suggestions to increase the retirement age, to give penalties for early retirement and to reduce former increases in

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pension payments, the commission favored a social security system that could exist in parallel to the supply side policies (Cebulla 2000 and Hinrichs and Kangas 2003).

These formulations were in line with the understanding of social policy in Germany since the mid 1980s. Hence, the days of the Bismarckian work-based compulsory insurance system that attempted to guarantee the status of a social group or an individual were over. This was not a policy to cover all the risk and to sterilize the social environment. Rather, it was a perspective to diffuse the risk so that each person could take the responsibility of her/his position and future. This was a shift to the contribution defined spending, i.e. *einnahmenorientierte Ausgabenpolitik*, in the nature of welfare state reforms. Just like in Kohl's era, Schröder's policies were led by the tolerable level of contributions when making decisions for the level of benefits, rather than the amount of benefits designating the level of contributions (Leibfried and Obinger 2003, 214).

Another example of this continuity can be seen in the health care reforms that began in the late 1980s (Grabow 2005). Health care policies, being mostly shaped by different groups of experts, did not provide a common ground to lower the financial costs. With the introduction of the Health Care Structure Act in 1993, it became possible to bring new instruments that could deal with the conduct of health insurers, hospital payments and medical costs. It initiated a free choice of health funds for the individuals and hence trimmed down the institutionalized power of the medical profession and industry. This restructuring did not symbolize a change of balance between public and private insurance systems; rather, it symbolized an endeavor to distribute the rising costs of the welfare system among various hospitals, experts, companies, social stakeholders and individuals (Muntaner, Lynch and Smith 2000). Still, a reform that could totally transform the health care system did not come into existence, given the different levels and sectors of care.

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Following the Health Care Reform Act of 1989 and Health Care Structure Act of 1993, the Red-Green government introduced the Act of Strengthening Solidarity in Statutory Health Insurance (SHI) under three steps in late 1998, 1999 and 2000. All of these reforms aimed for cost containment, restructuring of financing of medical and hospital services and reorganization of SHI. In 2003, the Act to Modernize the Statutory Health Insurance System was brought to the agenda to address the inefficient practices of health care in the competition among providers. It also tried to prevent the increase of contribution rates. These measures to control expenditures put most of the burden on patients rather than companies. As a result, it indicated a shift from the principle of solidarity and sought to reduce the expenditures through higher supplementary co-payments and transfers from federal budget (Streeck and Trampusch 2005, 188-9). Generally speaking, health care policy relied on the measures of budgeting and competitiveness between various stakeholders (Amelung et al. 2003).

Although the government made an effort to deal with these employment, insurance and health policies by referring to their particular qualities, *Agenda 2010* was prepared to present a more macro perspective, i.e. activating the state through reforms (Heise 2002, 162-3). As a package of measures with a claim of making Germany's economy more "flexible" and competitive, it underlined several issues, including labor market, vocational training, taxation, pension, health and family policies. Declared on March 2003, *Agenda 2010* was considered to be the next phase of a way of governing, which had started under Kohl's chancellorship (Thompson 2004, 10).

The initial response to the increasing unemployment rates and non-wage labor costs should be given by reducing taxes, encouraging investments and removing unnecessary bureaucracy (Die Bundesregierung 2003, 15). The reforms and infrastructure investments on local governments and programs for innovation and credits could also serve as

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complementary measures. In order to remain more competitive in the market and have an access to the cheap labor force, starting up a business in certain branches was made easier without the requirement of a master craftsman's certificate.

In addition, restructuring in the labor market was stressed in reference to the reforms under Hartz Acts, e.g. Ich-AG, Mini-Jobs, Federal Labor Agency, Personnel Service Agencies, and vocational training was proposed as a joint responsibility of unions, governments and business community, especially small and medium scale enterprises. This was seen as a strategy to cope with increasing unemployment rates among the young people and as a tool in developing skills and creativity for the German economy to maintain its competitiveness, which could be supported by the educational system and tax cuts.

Moreover, creating investments was regarded in relation to the performance of health and pension reforms. The decrease in the number of people in the working age and the growth of pension recipients constituted the main factors to foster the reforms in these fields because of the rising costs of welfare system and inability to diffuse the risks to the individual level. In this sense, Agenda 2010 also announced the positive impacts of family support models on child care, housing benefits and family friendly work environment, since they were developed through various reforms on the local government financing, taxes, "flexible" working hours, child-care at the workplace and reorganization of labor.

A last example of continuity can be given from the National Action Plans (NAP) for Employment Policy between 2001 and 2004. Just like the NAP of 1998 developed by Kohl's administration, these four plans outlined both the results achieved during Schröder's era and future trajectories for a more competitive German economy. Improving employability, developing entrepreneurship, encouraging adaptability in businesses and their employees, and strengthening the policies for equal opportunities were the four pillars of action in all of the plans. In this sense, the restructuring of the economy was given as a necessity for Germany to

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be competitive as an attractive economic location, especially under the challenges of "European" integration, globalization and a knowledge-based economy (Leaman 2009, 157-203). To achieve this objective, certain tools were underlined in the plans: reducing the public deficits and non-wage labor costs (e.g. pensions, health care, unemployment benefits), setting manageable taxes for investors, bringing labor policy instruments that focus on problem groups (e.g. "immigrants", women and young people), and improving regional economic structures (Koch and Stahlecker 2006).

According to these plans, the government should also facilitate conditions that enable individuals to take on their own responsibilities. This reasoning seems to be substantial, since individuals, by becoming more autonomous and self-reliant, could enable the governments to cut back the expenses, taxes and fees and in the long-run could support the development of social responsibility in the society (Annesley 2002). By pursuing this goal, the government could also identify and categorize the individual groups that could not contribute to the development of a competitive labor market and take necessary measures to improve their skills and living conditions. As a result of these techniques, i.e. improving the qualifications of certain groups and giving responsibility to individuals, society could adapt itself to the changing conditions of world markets more easily.

Therefore, these plans indicate the government's call for a life-long learning process, organizational changes compatible with future oriented jobs, improvement of vocational education according to the requirements of labor markets, technological changes and development of the enterprise structures.[xl] To achieve these goals the modern state administration should decrease bureaucracy and seek the needs of small and medium scale enterprises (Bundesministerium des Innern 2002). At the end, the needs of small and medium scale enterprise are indispensable for the entrepreneurial spirit in Germany and this entrepreneurial spirit could be expanded through methods like lessening the tax and public

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contribution burdens on individuals, providing financial support for the start-up plans, improving counseling services in the chambers of commerce, banks, business associations and research institutions, promoting the intense cooperation of federal government and state governments, privatizing public services, expanding the service sector, accelerating the use of technology and expertise, and developing the social infrastructure.

2.3 Concluding Remarks

This chapter has studied the understanding of entrepreneurship in Germany since the late 19th century to be able to analyze the general features of "ethnic entrepreneurship". For this reason, I have brought into play a historical perspective and indicated the relatedness of local, national, regional and global happenings. In order to develop this historical account, I have concentrated on the "crises of Fordism" in Germany as a point of rupture and explored the features of entrepreneurship in the Fordist and "post-Fordist" relations. Depending on this rupture I have also chosen certain policies that were promoting the changes in the understanding of entrepreneurship. These policies were conducted during the administrations of Helmut Kohl and Gerhard Schröder and hence were in line with the "post-Fordist" relations in Germany. In the context of this monograph, this detailed historical picture was also necessary before looking at the particularities, continuities and discontinuities of Berlin in terms of "ethnic entrepreneurship" (chapter 3). In this concluding section, I would like to outline the features of "ethnic entrepreneurship" in relation to this historical account and the stories of "immigrants" from Turkey.

Broadly speaking, "ethnic entrepreneurship" constitutes one of the sub-units of an aspiration that has been promoting the entrepreneurial spirit in Germany since the first half of the 1980s in reference to the supply side economy policies. Such an aspiration is significantly absent between the 1950s and 1970s. These three decades, unlike the period starting with the 1980s, are represented by market stability, efficient utilization of resources and improvement

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of performance in marketing and production (Bridge, O'Neill and Cromie 1998, 30). This representation can be seen not only as a reaction to the experience of National Socialism and World War II, but also as an attempt to create a political rationality on the basis of an economic freedom that can restrain itself. In this manner, these three decades differ from the so-called turbulent world of the 1980s.

Since the first half of the 1980s, the entrepreneurial spirit in Germany has been promoted as a practice not only to pursue efficiency in the utilization of resources, but also to cope with instabilities, uncertainties, constant changes, crises and difficulties. The decisive role of this entrepreneurial spirit derives from its appearance not only in a business context but also in various social, political and economic environments. Thus, the aspiration for this entrepreneurial spirit has its initial formulations in a political rationality, functioning in an economic freedom that can restrain itself, i.e. principles of social market economy in the formulations of Ordoliberals (chapter 4).

However, the aspiration for this entrepreneurial spirit in Germany is remarkably related to the administrations of Kohl and Schröder. Although they cannot be associated with the regimes of Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States, forms of political reasoning during the Kohl and Schröder eras can be differentiated from their predecessors by looking at the *Standtort Deutschland* debate, Hartz Reforms, Agenda 2010, Action Plans for Employment Policy, early retirement and part-time job negotiations, conflicts in the *Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit* (Alliance for Jobs, Vocational Training and Competitiveness), incentives for innovation, investment and technology, cuts in taxes and social security contributions, intense cooperation of federal and state governments, to name a few. In other words, it is not self-evident that the social welfare policies of Bismarckian state, national economic planning and Keynesian demand management were discussed and problematized during this period.

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Nevertheless, this period as a breaking point in terms of promotion of the entrepreneurial spirit in Germany cannot be reduced to the personal achievements and trajectories of Kohl and Schröder.

This period starting with the 1980s can be historicized with the transition from Fordism to "post-Fordism" (as a result of the "crises of Fordism" in the 1970s) and hence a restructuring in Germany. It is a restructuring not in terms of a clear-cut shift, but in terms of a continuing adaptation to the "crises of Fordism" and "post-Fordist" relations. This restructuring has been taking place in parallel to the problematizations of welfare state and bureaucracy, as well as the definition of threats or risks including unemployment, "immigrants' integration", social exclusion and family instability.

This period, calling for the promotion of entrepreneurial spirit in Germany, defines values to a particular image of the human being. The image is mostly related to a set of features like initiative taking, strong persuasive powers, moderate rather than high risk-taking, "flexibility", creativity, autonomy, problem solving ability, desire for achievement, imagination, belief in control of one's own destiny, leadership and hard-work (Gibb 1987, 6). This is the image of an enterprising individual, who has a positive and adaptable attitude towards change and considers it to be an opportunity rather than a problem (Ball 1989). Such an understanding symbolizes the self-confidence of an individual and the easiness in tackling the unknown, risk and difficulty. As a negotiator, planner and organizer, this individual is also able to take responsibility. Within a broader framework, the enterprising individual is the one who is active and calculating in order to better oneself (Rose 1998, 154).

Since it can bring solutions to the "problems", this entrepreneurial image stands for a type of activity that should be promoted at various levels of daily life, e.g. family and social relations, business organization, factory, school and institutions of social welfare state. However, it is not an image that can be generated and conducted in a top-down method. It

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can only be promoted through, not against, the practices of individuals. In this sense, enterprising individuals are the crucial resources for certain strategies, tactics and procedures of the regulation. At this point, they no longer exist with duties and obligations but with rights and freedoms, through which they shape the well being of themselves and others with the act of choosing.

In this context, the "ethnic entrepreneur" is also an enterprising individual, who can reflect on the "crises of Fordism", transition from Fordism to "post-Fordism" and impacts of restructuring in Germany since the beginning of the 1980s. Yet, the "ethnic entrepreneur" has an "immigration background" that first identifies him/her and then differentiates him/her from the general category of enterprising individual. To put it differently, it is the understanding of having an "immigration background" that does not allow him/her to be considered (by him/herself, his/her family, policy makers, experts and society) only as an enterprising individual.

As illustrated above, the logic of Fordism, derived from mass production and consumption dynamics and created a demand for a low-skilled labor force in Germany, which had intensified during the 1960s. This forced the Federal Republic of Germany to sign labor-receiving contracts with Italy (1955), Spain (1960), Greece (1960), Turkey (1961 and 1964), Morocco (1963), Portugal (1964), Tunisia (1965) and Yugoslavia (1968). In need of a better utilization of resources and under the threat of labor scarcity, decreasing GNP rates, shortening of average working week, longer paid vocations and difficulties in recruiting skilled labor force, Germany continued the importation of foreign labor force from the mid 1950s until the early 1970s.

The recruitment of foreign workers in the 1950s was regulated with extremely restrictive policies and was based on the 'rotation' principle where the foreign labor force is used to satisfy temporary labor needs in particular sectors. In the 1960s the policies in

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Germany were shaped by the view that the "immigrant" labor force was temporary and based on the specific needs of employers. This understanding inevitably brought a complex legal and administrative framework to regulate and control the recruitment, flow and residence of "immigrants". A crucial step in this process was the establishment of recruitment offices in Mediterranean countries, which are organized by the Federal Labor Office (*Bundesanstalt für Arbeit*, BfA) in Germany. German employers, who were looking for foreign labor, paid fees to the BfA and in turn BfA selected workers, tested their occupational skills, provided medical examinations and screened police records through the offices in sending countries.

The development of a world economy, as a concentration of capital and production, also enabled Germany to depend on this "guest-worker" system until the early 1970s. During this period the world capitalist output doubled and economic expansion saw the most rapid development of production in history (Castles 2000, 73). Without doubt, the dominance of US corporations and capital allowed both the reorganization of large-scale production in "Europe" and the restructuring of financial and commodity markets which depended on the raw materials and agricultural products of the newly independent countries. Moreover, low wages, in relation to the growth of production starting from early post-war years, encouraged high rates of investment. Since growth of labor was the essential condition for this capital accumulation during the 1960s, Germany relied on the "immigrant" labor force and was not able to consider alternatives mainly due to three factors (Ibid., 73-4).

First, if no "immigrant" worker had been available, employers would have had to pay higher wages to retain the labor and the resulting increased rate of inflation would have reduced the economic growth. Second, compared to the employment of women, internal rural-urban migration, refugees and exiles, the "immigrant" labor force was more useful, since various state institutions and employers could control them without any difficulty. In this sense they were offered hard jobs through the Tayloristic methods of mass production.

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Third, in Germany, it was not efficient to replace workers with machinery, because capital for rationalization has to come from past profits and a tight labor market would have increased wages and decreased profits.

However, the "crises of Fordism" in terms of production, labor market and organizational processes brought some challenges to the recruitment of these "immigrants". This mostly affected the enterprises in autarkic industrial regions, including Berlin, because of the fragmentation of the market in "Europe", increasing levels of competition as a result of technological innovations, organizational decentralization and "flexible" production. Hence, these factors led to the ban on recruitments to Germany.

Additionally, these factors paved the way for other extensive changes during the 1970s. First, the global investments were not similar to the patterns of the 1950s and 1960s, in which capital was concentrated in "Western Europe" under the initiative of US corporations to renovate their economic infrastructure. In order to solve the problem of over-accumulation, these countries exported capital to other countries and established industries depending on labor-intensive production methods. Second, in relation to global investments, the micro-electronic revolution reduced the demand for manual workers. In terms of the organization of labor, it led to the growth of part-time work and insecure conditions of employment. Without doubt, this paved the way for an increasing differentiation in the labor force on the basis of gender, age and ethnicity not only in "developed" countries but also in "underdeveloped" countries, where labor-intensive production is dominant. Third, the erosion of skilled workers in "developed" countries was not able to meet the demand for multi-skilled and autonomous workers capable of "flexible" work. Fourth, the demand for multi-skilled workers affected the growth of the services sector, and in turn created the background for the development of informal sectors with an unskilled labor force.

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In the decentralized industrial regions, the small and medium scaled enterprises were concentrated on specialized production. This kept their demand for a low skilled labor force much more limited than large-scale firms. In addition, the continuous implementation of technological innovations and subcontracting structure gave a great impetus to these small and medium scale enterprises for tackling the cost of production. Therefore, small and medium scale enterprises benefited from the know-how of the skilled labor force and remained competitive in the world markets.

On the other hand, mass-producing large firms in decentralized regions, just like their cousins in autarkic regions, were highly affected by the "crises of Fordism". Under the pressure of competitive environment and the introduction of new technology, these companies did not have any alternative but to transform their organization. Surrounded by subcontracting small and medium scale enterprises that were able to share the resources at different levels, these companies started to give up their vertical integration structures and engaged in strengthening the autonomy of local units.

This restructuring of the labor market and enterprises contributed to the increase of unemployment rates, which intensified after German reunification. It affected mostly the low skilled labor force and "immigrants". Although the ban of recruitment came into effect by the first half of the 1970s, Germany was not able to prevent the successive waves of immigration, which occurred in part through family reunifications and asylum seeking. This increased not only the number of "immigrants", but also the size of the unskilled or low-skilled labor force in the German market. For large-scale enterprises, in which most of the low-skilled "immigrants" were employed, establishing production sites abroad was much cheaper than facing the wage regulations at home. As for the supply side economy policies of the Kohl and Schröder administrations, the low-skilled labor force was a problem in terms of the

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implementation of new technologies and innovations and the endeavor to reduce the non-wage labor costs.

With an increasing population and high unemployment rates, "immigrants" have become one of the problems that need to be solved through social policies. This time unlike the Bismarckian legacy of social welfare policies, it was not enough only to distinguish the able-bodied from the disabled in the labor market and hence to maximize profits and minimize social and political costs. These policies were mostly relevant in reference to the full employment policies that aimed to reach economies of scale or efficiency by providing different opportunities to individuals. Such a political rationality was successful as far as it had a full controlling capacity over the "immigrant" population according to the increasing labor demands of enterprises. The basic assumption was that companies would not recruit from the "immigrant" labor force beyond their production capacities. Since this foreign labor force was called upon only for the purpose of meeting the demands of mass production in Fordist understanding, they could not have an effect on the non-wage labor costs.

As guests, "immigrants" were not meant to stay, bring their families, get married, give birth, go to school, benefit from unemployment policies or speak German, but only to work and then to return home. They were free to return, but not to stay. It was the work that was giving them certain rights. They were part of the mass production as long as they could contribute to full efficiency in the workplace. Within this understanding, the social, political and economic risk and costs that they could generate in a particular period of time were minimized before they started to work, except for the accidents in their places of work.

However, the supply side economy policies, pressures of competition and technology, increase of unemployment and non-wage labor costs and problematization of bureaucracy required new formulations in the political rationality. Especially following the family reunifications, it became more obvious for policy makers that "guests", who were meant to

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return, were going stay in Germany. This was a complete reversal, error or faulty calculation. Throughout the 1980s and 1990s, this was going to bring new discussions and problematizations to the formulation of social policies in reference to the "immigrant" groups, e.g. unskilled labor force, high unemployment rates, low language skills, poor education and vocational training capacities, increasing crime rates, growth of dependence on social benefits and reluctance to "integrate". Under these historical features, the emergence of "ethnic entrepreneurs" turned out to be one of the pillars deal with these social fears by diffusing the risks, costs and dangers.

The restructuring in the labor market, which boosted the unemployment rate among the low-skilled "immigrant" labor force, led some of the "immigrants" to set up their own businesses, mostly in the services sector. This process started with the increase in demand for "ethnic" goods and services from the "immigrant" groups at the end of the 1970s. However, they did not remain within the scope of this initial phase. With the rise of the "immigrant" population and with their intention to stay in Germany, not only the demand for "ethnic" goods and services diversified, but also the fields of business they tried to undertake varied parallel to their qualifications and utilization of resources. Through the 1980s and 1990s these "ethnic entrepreneurs" became involved in business related services (e.g. consulting, marketing, insurance), wholesale and retail trade, gastronomy, printing and media related services, handicraft, döner production, different sub-sectors of construction, cleaning services and the tourism sector.

As a result, one can argue that the historical features of "ethnic entrepreneurship" in Germany relied on the "crises" of Fordism", transition from Fordism to "post-Fordism" and their impacts on the policies since the beginning of the 1980s. In this context, the "ethnic entrepreneur" defines a particular individual with an "immigration background". First, it is a reflection of a competitive, active, ambitious, participating, calculating, productive, self-

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regulated, self-responsible and cooperative "immigrant" in a world of declining profitability of mass-production industries and the crisis of welfare policies. It is an enterprising individual without the need for direct political intervention. This is not only a way of "integrating immigrants" into the society they live in, but also an attempt for autonomization, which can mobilize various resources, even the marginal or informal ones.

Second, the "ethnic entrepreneurs" are promoted as the self-appointed leaders of "their co-ethnic or immigrant" groups, since they are recognized with an expertise to recreate communities of obligation through the emphasis on civic commitments that can be developed via trust relations. The trust mechanism, as a form of responsibilization, is an unavoidable component of social relations. This is derived from an understanding of solidarity, where the state is not at stake in social relations, but becomes the guarantor of progress (Donzelot 1991, 173). As the leaders of "their co-ethnic" groups, "ethnic entrepreneurs" do not only take part in the initiation of policies for the well-being of these groups, but also serve as a role model for various generations. Being a role model articulates an image of self-realization, self-presentation, self-direction and self-management. As Nicolas Rose puts it in reference to Colin Gordon, the idea of one's life as the enterprise of oneself denotes that in any case there is an option to continue to be employed in a given enterprise even if one is unemployed (1998, 161). This is part of the continuous business of living in order to prepare for the preservation, reproduction and reconstruction of one's human capital. Even if these capacities of self-awareness, self-presentation and self-esteem do not generate new jobs, they reduce the psychological exclusion of an unemployed person and provide the keys for the identification of that person as a "tolerated other".

Third, this "tolerated other" is "different" from his/her entrepreneurial "other", i.e. "non-ethnic" entrepreneur. The "ethnic entrepreneurs" are believed to produce various forms of resources with the intense operation of social relations via solidarity, primarily ethnic and

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family. On the one hand, the notion of ethnicity, deriving from an ontological difference between cultures that are associated with particular spaces, provides the distinctive mentalities of doing business for these entrepreneurs. On the other hand, the family, being the core of this ontologically different culture, serves to maximize the aspirations, success, life qualities, physical and mental welfare of its members. Familialization, as Donzelot argues, is an efficient catalyst to shape, socialize and maximize the personal capacities of its members with the ethics of autonomy and responsibility (1997).

Last but not least, one can ask why the political rationality in Germany does not intend the disposal (as technique of "solution") of its low-skilled, unskilled or unemployed "immigrant" labor force, especially considering the "crises of Fordism", transition from Fordism to "post-Fordism" and impacts of restructuring since the 1980s. Here, one can re-visit the arguments on the development of rights (e.g. immigration, citizenship, minority and human rights)[xli] in Germany or the historical burden of National Socialism on Germany. I do not think, however, that the question can be fully answered by these arguments because the concern of the political rationality does not necessarily end there.

On the contrary, I argue that especially in this period, after the "crises of Fordism", during the transition from Fordism to "post-Fordism" (not lucid, completed and coherent) and under the impacts of restructuring since the 1980s, it is about calling for "different" resources (even the most marginal and costly one) simultaneously and mobilizing them for "different" cases. Therefore, we cannot talk only about a mode of reasoning that is based on the domain of state's coercion, which can imagine and use this low-skilled, unskilled or unemployed "immigrant" labor force as a reserve army of labor,[xlii] especially under the unpredictable conditions of a period after the "crises of Fordism". We also have to consider the existence of a mode of reasoning that derives from the self-responsibility of a population, which it is conducted on (through the principles including autonomy, freedom and consent). It is at this

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junction that the historical features for the emergence and development of "ethnic entrepreneurs" (particularly considering the "immigrants" from Turkey) become more appealing. It is also interesting that perhaps one of the earlier acknowledgements (or one of close formulations) of this mode of reasoning came from Antonio Gramsci at a period when he was examining the Fordist relations.

> It is possible to imagine the coercive element of the State withering away by degrees, as ever-more conspicuous elements of regulated society (or ethical State or *civil society*) make their appearance. (Gramsci 1992, 36) [Italics are mine]

Until now, I have explored the historical happenings in Germany (keeping in mind the relatedness of local, national, regional and global levels) to analyze the emergence and development of "ethnic entrepreneurship" in reference to a rupture, i.e. "crises of Fordism". In the next historical chapter, I will outline the particularities, continuities and discontinuities of Berlin in the emergence and development of "ethnic entrepreneurship". This is substantial not only to understand the role of Berlin in relation to other German cities and "immigrants" from Turkey, but also to develop a detailed picture for my three ethnographic chapters.

Endnotes:

[xv] See, Carl Menger, *Grundsätze der Volkwirtschaftslehre* (Saarbrücken: Vdm Verlag, 2006); William Jevons, *The Theory of Political Economy* (London: MacMillan and Co., 2006); and William Jaffé and Donald A. Walker, *Essays on Walras* (New York: Cambridge University Press, 1983).

[xvi] The leading modifications are developed by school of German business historians (e.g. Jürgen Kocka and Alfred Chandler), technological historians, (e.g. David Landes) and others including Richard Tilly, Sidney Pollard, Hubert Kesewetter, Rainer Fremdling and Klaus Megerle on the timing of industrialization and development of banking.

[xvii] For a detailed discussion see, A. Gerschenkron, *Economic Backwwardness in Historical Perspective*, (Cambridge: Harvard University Press, 1962); R. Sylla and G. Toniolo (eds.) *Patterns of European Industrialization: The Nineteenth Century*, (London: Routledge, 1991); J. Kocka, "Capitalism and Bureaucracy in German Industrialization Before 1914" *Economic History Review*, 1981, 34(3), 453-468.

[xviii] For detailed analyses see J.Kocka, "The Rise of Modern Industrial Enterprise in Germany," in *Managerial Hierarchies: Comparative Perspectives on the Rise of the Modern Industrial Enterprise*, D. Alfred and H.D. Chandler (eds.), (Cambridge: Harvard University Press, 1980); J.Kocka, "Family and Bureaucracy in German Industrial Management, 1850-1914" *Business History Review*, 1971, 45(2), 133-156.

[xix] Also see Lutz Bukhardt, *Der kurze Traum immerwaehrende Prosperitaet. Eine neuinterpretation der industrielkapitalistischen Entwicklung um Europa des 20 Jahrhunderts*, (Frankfurt: Campus, 1984).

[xx] J. Osmond, "Land, Peasant and Lord in German Agriculture since 1800," in S. Ogilvie and R. Overy (eds.), *Germany: A New Social and Economic History Volume 3 since 1800*, (London: Arnold, 2003), pp. 71-105, F. Wunderlich, *Farm Labor in Germany*, (Princeton: Princeton University Press, 1961), Werner Conze, "The Effects of Nineteenth Century Liberal Agrarian Reforms on Social Structure in Central Europe," in *Essay in European Economic History 1789-1914* F.Crouzet, W.H.Chaloner and W.M.Stern (eds.), (London: Edward Arnold, 1969), pp. 53-81.

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[xxi] On *Gewerbelandschaften* see, Hans Pohl ed., *Gewerbe- und Industrielandschaften vom Spaetmittelalter bis ins 20. Jahrhundert*, Zeitschrift für Unternehmensgeschichte, (Stuttgart: Franz Steiner Verlag, 1986).
[xxii] W.O. Henderson, *The Rise of German Industrial Power 1834-1914*, (Berkeley: Campus, 1975).
[xxiii] Also see Charles Sabel and Jonathan Zeitlin, "Historical Alternatives to Mass Production: Politics, Markets and Technology in Nineteenth Century Industrialization," *Past and Present*, 1985, 108, pp. 134-176.
[xxiv] Also see R.H. Tilly, "Mergers, External Growth and Finance in the Development of large Scale Enterprise in Germany, 1880-1913," *Journal of Economic History*, 1982, 42.3, 629-658. J. Brockstedt, "Family Enterprise and the Rise of Large Scale Enterprise in Germany (1871-1914)- Ownership and Management," in *Family Business in the Era of Industrial Growth: Its Ownership and Management*, A.Okochi and S.Y.Okochi (eds.), (Tokyo: Tokyo University Press, 1984); R.H. Bowen, "Rise of Modern Industry: The Roles of Government and Private Enterprise in German Industrial Growth, 1870-1914," *The Journal of Economic History*, 1950, Vol. 10, 68-81.
[xxv] Also see (Lane 1995, chapter 3) and J. Esser, "Bank Power in West Germany revised," *West European Politics*, 13(4), (1990): 17-32.
[xxvi] For a general discussion of cartels see, Hans Pohl ed., *Kartelle und Kartellgesetzgebung in Praxis und Rechtsprechung vom 19. Jahrhundert bis zur Gegenwart*, (Stuttgart: Franz Steiner Verlag, 1985).
[xxvii] Klaus J. Bade, *Vom Auswanderungsland zum Einwanderungsland? Deutschland 1880-1980*, (Berlin: Colloquium Verlag, 1983), Klaus J. Bade, *Auswanderer - Wanderarbeiter - Gastarbeiter: Bevölkerung, Arbeitsmarkt und Wanderung in Deutschland seit der Mitte des 19. Jahrhunderts*, (Ostfildern: Scripta Mercaturae Verlag, 1984), Klaus J. Bade, Population, Labour and Migration in 19th and 20th Century Germany, (Leamington Spa: Berg Publishers Ltd., 1987), Klaus J. Bade, Deutsche im Ausland - Fremde in Deutschland: Migration in Geschichte und Gegenwart, (München: Verlag C.H. Beck, 1992).
[xxviii] For the spatialization of state argument also see, Henri Lefebvre, "Comments on a New State Form," *Antipode*, Vol33 (5), (2001): 769-782.
[xxix] It can be translated as the year-book for the order of economy and society. For some of the arguments of *Ordoliberals*, see E.J.Mestmaecker (ed.) *Franz Böhm, Reden und Schriften über die Ordnung einer freien Markwirtschaft und über Wiedergutmachung* (Karlsruhe, 1990), Rudolf Eucken, *Rudolf Eucken: His Life, Work and Travels – by Himself*, J.McCabe (trans.), (London: 1921), Walter Eucken, "Das ordnungspolitische Problem," *ORDO: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft*, 1948, pp. 56-90, Alfred Müller-Armack, *Wirtschaftsordnung und Wirtschaftspolitik: Studien und Konzepte zur sozialen Markwirtschaft und zur europaeischen Integration* (Bern: 1976) Wilhelm Röpke, "Wirtschaftssystem und internationale Ordnung," *ORDO: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft*, 1952, 4. Alexander Rüstow, *Freedom and Domination: A Historical Critique of Civilization*, S.A. Attansio (trans.), (New Jersey: Princeton, 1980).
[xxx] For some of the trajectories of Erhard see L.Erhard, *Deutsche Wirtschaftspolitik: Der Weg Der sozialen Marktwirtschaft*, (Düsseldorf: Econ Verlag, 1962) and L.Erhard. *The Economics of Success*, (Princeton: Van Nostrand, 1963).
[xxxi] See also Michael Storper and Robert Salais, *Worlds of Possibility: Collective Action and the Economic Identities of Nations and Regions*, (Cambridge, MA: Harvard University Press, 1996).
[xxxii] For some extended discussions see, Andrei Markovits, *The Politics of the West German Trade Unions*, (New York: Cambridge University Press, 1986).
[xxxiii] Also see Nicholls 1996, chapter 16.
[xxxiv] For a detailed argument of the political economy in West Germany see Jeremy Leaman, *The Political Economy of West Germany 1945-1985, An Introduction*, (London: MacMillan, 1988).
[xxxv] See, James P. Womack, Daniel T. Jones and Daniel Roos, *The Machine That Changed the World*, (New York: Rawson Associates, 1990) and Karen Williams et al., "Against Lean Production" *Economy and Society*, 21(3) August, (1992): 321-54.
[xxxvi] See H.Leitner and E.Sheppard, "The City is Dead, Long Live the Net: Harnessng European Interurban Networks for a Neoliberal Agenda" in *Spaces of Neoliberalism, Urban Restructuring in North America and Western Europe*, N.Brenner and N.Theodore, (Oxford: Blackwell Publishing, 2002), 148-71; E.Swyngedouw, F.Moulaert and A.Rodriguez, "Neoliberal Urbanization in Europe: Large-Scale Urban Development Projects and the New Urban Policy" in *Spaces of Neoliberalism, Urban Restructuring in North America and Western Europe*, N.Brenner and N.Theodore, (Oxford: Blackwell Publishing, 2002), 195-229.
[xxxvii] For a detailed analysis of EES process see R.Zohlnhöfer and T.Ostheim, "Paving the Way for Employment? The Impact of the Luxembourg Process on German Labor Market Policies" *European Integration*, Vol.27, No.2, (2005): 147-167.
[xxxviii] Jacques Delors served as the administrator of European Commission for three periods, i.e. 1985-1988, 1989-1992 and 1993-1994. See H.Drake, *Jacques Delors Perspectives on a European Leader*, (London: Routledge, 2000).
[xxxix] For details see, Bundesanstalt für Arbeit, *Haushaltsplan: Haushaltsjahr 2001*. (Nuremberg: Bundesanstalt

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[xl] See, G.Menz, "Old Bottles – New Wine: The New Dynamics of Industrial Relations", *German Politics*, Vol.14, No.2 (2005): 196–207, C.Meyer "Transfer of Concepts and Practices of Vocational Education and Training from the Center to the Peripheries: the case of Germany", *Journal of Education and Work*, Vol. 14, No. 2, (2001): 189-208, G.Auernheimer, "The German Education System Dysfunctional for an Immigration Society", *European Education*, vol. 37, no. 4, (2005): 75–89. A.Gebauer et al, "Regional Technology Policy and Factors Shaping Local Innovation Networks in Small German Cities", *European Planning Studies*, Vol. 13, No. 5, (2005): 661-83 H.Prange, "Rethinking the Impact of Globalization on the Nation-State: The Case of Science and Technology Policies in Germany", *German Politics*, vol.12, no.1, (2003): 23-42.

[xli] For different perspectives on the development of rights see, R. Brubaker, *Citizenship and Nationhood in France and Germany*, (Cambridge: Harvard University Press, 1992), Y. N. Soysal, *Limits of Citizenship: Migrants and Postnational Membership in Europe*, (Chicago: University of Chicago Press, 1994), C. Joppke, *Immigration and the Nation-State: The United States, Germany and Great Britain*, (New York: Oxford University Press, 1999).

[xlii] For a detailed description of the term see, K. Marx, *Capital, A Critique of Political Economy, Volume One*, (New York: Penguin Books, 1990), pp. 781-793.

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CHAPTER 3

RUPTURES OF BERLIN TOWARD "ETHNIC ENTREPRENEURSHIP"

> I hope you will come to value life in our open-minded community and to reinforce further development of our relaxed and tolerant way of living together.
> (Günter Piening, Senate Commissioner for Integration and Migration, Bundesministerium des Innern, *Willkommen in Deutschland*)

Space is not an ontologically given entity; on the contrary, as James Clifford argues in reference to Michel de Certeau, "it is discursively mapped and corporeally practiced" (1997, 54). Berlin has never been an exception of this formulation throughout its history. Its topography can be examined as a microcosm of German history and memory. The presences and absences of the German monarchy, the Weimar Republic, the National Socialist dictatorship, the so-called Cold War division (capitalist West versus socialist East), and finally, the reunified Federal Republic all mark the urban fabric of Berlin. Its historical text has been written, erased and rewritten by these ruptures and continuities and at the same time has been practiced by its residents.

Some of the iconic associations with Berlin include, but are certainly not limited to Alfred Döblin's *Alexander Platz*; Heinrich Zille's drawings of the social environment in *Mietskasernen* (rental barracks); George Grosz's drawings of fleshy businessmen, wounded soldiers, prostitutes and sex crimes of the 1920s; *Quadriga* (the chariot drawn by four horses and driven by Victoria, the Roman goddess of victory) on the Brandenburg Gate; the *Berliner Dom* (Berlin Cathedral); *The Iron Rolling Mill: Modern Cyclops* painted by Adolf von Menzel as a factory scene; *Siegessäule* (Victory Column); *Zoo*; *Landwehr Canal*, into which Rosa Luxemburg's body was thrown after being shot in a car; *Kneipen* (taverns); *Gedächtniskirche* (Kaiser Wilhelm Memorial Church); the prison in *Moabit*; the *Institut für*

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Sexualwissenschaft (Institute for Sexual Research) founded by Magnus Hirshfeld; *Berlin: Symphony of a Great City,* directed by Walther Ruttman; *Goodbye to Berlin* written by Christopher Isherwood; the *Reichstag* on fire; the book burning on *Opernplatz*; *Welthauptstadt* (World Capital) *Germania* and Albert Speer; the 1936 Summer Olympics; Berlin's 700th Anniversary Celebration; *Neue Synagoge* (New Synagogue) that was set ablaze during *Kristallnacht*; the *Villa Wannsee*; Red Army soldiers posing with Soviet flags; *Trümmerfrauen* (rubble women); *Airlift Monument* in Tempelhof; *Checkpoint Charlie* (a crossing point between the East and West); Stalinallee in Friedrichshain (a boulevard lined with six- to seven-story buildings, renamed Karl-Marx-Allee in 1961); KaDeWe, a department store on Ku-Damm; the Berlin Wall; Kennedy's quote, "*Ich bin ein Berliner*;" the former *Stasi* headquarters in Normannenstrasse; *Gastarbeiter* (guest workers) in Kreuzberg, or "Little Istanbul;" *Himmel über Berlin* directed by Wim Wenders; Rudi Dutschke or "Red Rudi" came to be known from student movements; *Rote Armee Fraktion* (RAF); the fall of the Wall; *Herr Lehmann* written by Sven Regener; *Goodbye Lenin* directed by Wolfgang Becker; the reconstruction of Potsdamer Platz; *Lola Rennt* directed by Tom Tykwer; *Love Parade,* an event supported, among other institutions, by *McFit* (the largest fitness center chain in Germany) with the slogan "Einfach gut aussehen" (Just look good); *Karneval der Kulturen* (Carnival of Cultures) and finally, the motto "*Standort Berlin*".

Without doubt, all of these images represent the memories embedded in urban life in different epochs. They underline the similarities, differences and interactions of Berlin within its districts and in reference to other German cities, "European" capitals and cities all over the world. However, this chapter is not going to explore all the images and transformations of Berlin and then rewrite its history. Also, it is not going to fetishize Berlin in the sense of overlooking its relations with the rest of Germany, "Europe" and the world. Rather, it is going to concentrate on a history of conditions of possibility in Berlin for the emergence and

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development of "ethnic entrepreneurship", particularly in reference to the "immigrants" from Turkey.

In the previous chapter, I looked at these historical features through the "crises of Fordism" in Germany and tried to locate Berlin as an autarkic industrial order within this broader picture (keeping in mind the happenings in "Europe", the US or "other" parts of the world). This chapter forms the second part of my historical perspective and I aim to focus on the particularities of Berlin in relation to the history of "immigrants" from Turkey. This specific focus neither searches for an overarching explanation that counts for various "immigrant" groups in Berlin nor aspires to homogenize the stories of "immigrants" from Turkey since the 1960s. By the same token, it does not overlook the existence of "immigrants" in Berlin long before the 1960s. Therefore, let me give an example to illustrate why I need this relational way of thinking.

Berlin is one of the 16 states in Germany.[xliii] To be more precise, it is a *Stadtstaat* (city-state) just like Hamburg and Bremen (in fact, the State of Bremen consists of two cities, Bremen and Bremerhaven). Before regaining its status as the capital of Germany in 1990, Berlin was the capital of the Kingdom of Prussia (1701-1918), the German Empire (1871-1918), the Weimar Republic (1919-1933) and the Third Reich (1933-1945). After World War II, it became a divided city and East Berlin was declared the capital of East Germany (1949-1989). The *Einigungsvertrag* (Unification Treaty), which was signed between the Federal Republic of Germany (hereafter FRG) and the German Democratic Republic (hereafter GDR) on August 1990, formalized the reunification of Berlin. According to this Treaty, western and eastern boroughs were to form the State of Berlin with its boundaries being basically defined by the *Gesetz über die Bildung einer neuen Stadtgemeinde Berlin* (Law on the Formation of a New Berlin Municipality) of April 1920 (Statistisches Landesamt Berlin 2000, 4). The external boundaries of the western part of Berlin that had been agreed on between the Berlin

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Senate and the GDR remained unchanged and all former exclaves fell to the state of Brandenburg.[xliv] With the territorial reform in 2001, the boroughs in Berlin were reduced from 23 to 12 by joining neighboring regions.

One can also examine this territorial order in relation to its population. Berlin is the largest city of Germany with a population of 3.4 million people (Statistische Aemter des Bundes und der Laender 2010, 36). Additionally, it is the leading city in terms of the number of "immigrants", which is carefully underlined in reference to the technique of microcensus analysis (that provides detailed information on the population structure, the economic and social situation of the population, families, consensual unions and households, on employment, job search, education/training and continuing education/training, the housing situation and health). According to the report in 2008, Berlin (followed by cities including Hamburg, München, Augsburg, Dortmund, Duisburg, Düsseldorf, Essen, Frankfurt am Main, Hannover, Köln, Nürnberg and Stuttgart) has approximately 822 000 people "with immigration background", which consists of approximately 345 000 "Germans" and approximately 477 000 "foreigners" in terms of citizenship (Ibid., 12-40).[xlv]

At this point, it is crucial to look at the number of "immigrants" in Berlin with regard to citizenship: Turkey 108 000, Poland 42 355, Serbia 20 421, Italy 15 197, Russian Federation 15 026, the USA 13 301, France 12 950, Vietnam 12 814, Croatia 10 373, Bosnia and Herzegovina 10 348, the United Kingdom 10 004, Greece 9 417, Austria 9 054, Ukraine 8 453, Lebanon 7 276, China 5 743, Thailand 5 420, Iran 4 146, Republic of Korea 2 827, Israel 2 871, Japan 2 605, Brazil 1 603, India 2 482, Egypt 1 769 and Ghana 1 718 (Amt für Statistik Berlin-Brandenburg 2009, 45). Similar findings on the number of "immigrants" in Berlin are also published and produced regularly by different institutions. For example, according to the *Beauftragte für Integration und Migration* (Office of Representative for Integration and Migration), the number of "immigrants" from Turkey (as the largest group

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out of 444,027 foreigners) is 120,684, but this number can exceed 150,000 people when those who acquired German citizenship are taken into consideration (Ohliger und Raiser 2005, 13).

Thorough analyses of these institutions also enable us to look at the relation between this territorial order and its population on a micro-level. Although "immigrants" from Turkey live in different parts of Berlin, the majority of them inhabit the boroughs of Mitte, Neukölln, Friedrichshain-Kreuzberg and Tempelhof-Schöneberg, which are located in the center and southern parts of the city (Ibid.). Except for the district of Neukölln (which used to be in West Berlin before German reunification) the other three districts were formed by merging two or three districts. Mitte was formed through the unification of two western districts of Wedding and Tiergarten and an eastern district of Mitte. While Tempelhof-Schöneberg used to be two separate western districts, Friedrichshain-Kreuzberg was formed when an eastern and a western district merged. Since Turkey only signed bilateral agreements with the FRG, "immigrants" from Turkey mostly inhabited the western districts of Wedding, Tiergarten, Kreuzberg, Neukölln (all of which were located within the eastern city border of West Berlin and are considered to be the traditional working class neighborhoods), Schöneberg and partly in Tempelhof.[xlvi] Here, it is not a coincidence that the analyses of various institutions become more comparative and comprehensive in describing the "immigrants" from Turkey.

The Berlin Institute *für Bevölkerung und Entwicklung* (for Population and Development) seems to provide an example of this comparative and comprehensive description in its 2009 "integration" report, entitled *Ungenutzte Potenziale* (Unused Potentials). Before going to the detailed analysis, the report underlines the solutions for two questions that are extensively discussed about "integration" in Germany: first, "What does the *host society* have to offer?" and second, "What do the *immigrants* have to do?" (Klingholz 2009, 9-10) [Italics are mine]. The answers are concise. The "host society" has to assure legal equality, equal access to employment, education and vocational training,

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recognition of education certificates, tolerance against the unfamiliar/strange and respect for plurality within a democratic society (Ibid., 9). In a complementary manner, the "immigrants" should be eager to learn, master the German language, desire for economic independence, accept the rule of law, be flexible and respect cultural and social norms (Ibid., 10). The rest of the report is even more useful.

First, "immigrant" groups are identified in relation to their *Herkunft* (origin), i.e. *Aussiedler* (ethnic Germans), Turkey, 25 EU (European Union) countries, "south Europe" (Portugal, Spain, Italy and Greece), countries of former Yugoslavia (only Bosnia and Herzegovina, Kosovo, Croatia, Montenegro and Serbia), Far East (countries from south, east and southeast Asia), Middle East and Africa (Ibid., 16-25). Then, this particular way of differentiating, identifying and mapping examine the "immigrant" groups in reference to categories like age, education, German citizenship, biculturalism, unemployment and employment, youth unemployment, housewives, entrepreneurship, individual income and dependence on social assistance (Ibid., 28-33).

As a result of this comparative analysis (on the level of 16 federal states and cities like Berlin, Hamburg, Bremen, Hannover, Bielefeld, Dortmund, Essen, Duisburg, Düsseldorf, Köln, Bonn, Bochum/Herne, Wuppertal, Frankfurt, Mannheim, Leibzig, Dresden, Mannheim/Heidelberg, Stuttgart, Nürnberg and München) "immigrants" from Turkey are declared the worst group in terms of "integration". Being the youngest group in comparison to other "immigrant" groups, they hold the highest rates of unemployment and dependence on social assistance, as well as the lowest levels of education (Ibid., 36-38 and 49-74). The only positive indicator about the "immigrants" from Turkey emerges in entrepreneurship (Ibid., 54). Yet, this is not considered as a sign of success because the cost of integrating "immigrants" from Turkey is higher than their contribution through entrepreneurship (Ibid., 74-80). Last but not least, under the heading of *Das Problem ist die*

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Chance (the Problem is the Chance), the report concludes with suggestions for a prospective "integration" policy, i.e. identifying group specific concepts (the strengths and weaknesses of each group), reforming the education system (school as the "integration" center), benefiting from diversity and expanding the knowledge (improving the data basis) (Ibid., 83-6).

But, how did we get into this point, in which "immigrants" from Turkey are considered as the "problem" group if they are not involved in entrepreneurship? What is the "potential" of "ethnic entrepreneurs"? Why do these "ethnic entrepreneurs" get an exceptional position in relation to the rest of "immigrants" from Turkey? My aim, then, is to understand the particularities of Berlin in relation to "immigrants" from Turkey. In order to examine this relation, I will look at three historical ruptures in the following sections: first, the construction of the Berlin Wall (August 1961), second, the ban on recruiting from a foreign labor force (November 1973) and third, the fall of the Berlin Wall (November 1989). Functioning as links between Germany, Berlin and "immigrant" populations, these ruptures will help me to follow the features that shaped "ethnic entrepreneurship". These historical ruptures will also allow me to explore the "crises of Fordism" (previous chapter) from a different perspective and to build the ground for a discussion on the conceptual values of "ethnic entrepreneurship" (next chapter).

3.1 Episode I: "Exceptional" Space and Its "Guests"

On 30 October, 1961, two months after the beginning of the Berlin Wall's construction, Turkey signed its first bilateral labor recruitment agreement with the FRG. A mere three years later, both countries signed the second bilateral labor recruitment agreement. Although the FRG signed agreements with Italy (1955), Spain (1960) and Greece (1960) before Turkey (1961 and 1964), Morocco (1963), Portugal (1964), Tunisia (1965) and Yugoslavia (1968), the 1961 agreement had a symbolic value for West Berlin because of its isolation that became more obvious with the presence of the Wall.[xlvii]

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Until the construction of the Wall, West German industry got underway especially with the currency reform, aid from the Marshall Plan and development of the *soziale Marktwirtschaft* (social market economy). From this point of view, there was no need for an "immigrant" labor force from "southern Europe". There was already a huge industrial army composed of ethnic German (*Aussiedler*) refugees and expellees (*Vertriebene*), who had immigrated from eastern provinces of the Reich as well as from Poland, Czechoslovakia, Hungary and Yugoslavia (Münz and Ulrich 1997). In addition, *Übersiedler*, namely the citizens of the GDR that had immigrated to the FRG, were also a major component of this industrial army until beginning of the 1960s. This industrial army, many of whom were skilled workers, kept wage growth slow and in turn provided the ground for the so-called economic growth by making German exports competitive.[xlviii]

By the mid-1950s labor shortages had appeared, mostly in agriculture and construction sector, and led to the recruitment of foreign workers initially on seasonal basis (Castles 2000, 31). In general, the recruitment of foreign workers in the 1950s was regulated by extremely restrictive policies, and was based on the "rotation" principle of foreign labor force to satisfy temporary labor needs in certain sectors.[xlix] Turkey also sent a small percentage of its labor force to the FRG but this was not based on a bilateral agreement. It was an "exceptional" situation, since the recruitment of foreign workers from all Mediterranean countries was based on the bilateral agreements during this period. This first labor force from Turkey was sent after an invitation from FRG in order to improve "Turkish" workers' occupational knowledge on certain sectors (Abadan-Unat 2002, 40-1). They were called within the framework of internship programs. Some entrepreneurs and craftsmen's institutions organized this initiative, but they were not able to develop it because of the authority of *Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung* (Federal Recruitment and Unemployment Insurance Institution) on recruitment decisions.

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These attempts of the FRG, during the 1950s, were not able to improve West Berlin's ability to hold its own industrial power.[l] The logistical obstacles and political crises from the late 1940s on had already proved the need for support in the form of state subsidies, foreign aid and special private investments. This need for support became more intense before the construction of the Wall.

In 1958, Fritz Berg, president (1949-1971) of *Bundesverband der Deutschen Industrie* (Federation of Germany Industry), called for economic support (similar to the air bridge of 1948/49) in response to Khrushchev's Berlin Ultimatum (Large 2000, 464). After a meeting with approximately one hundred of the Federal Republic's foremost industrialists and businessmen on West Berlin's economic recovery, the city received 25 percent more orders in 1959 than the previous year, especially in the electrical, food-processing and machine-construction industries, among others (Wechsberg 1959, 161). That is to say, a worker shortage emerged in Berlin even before the construction of the Wall. This shortage was noticed by the large-scaled enterprises (e.g. Siemens and AEG), which had already moved their headquarters to West Germany.[li]

To overcome the economic problems faced by West Berlin, the Adenauer government pushed for a comprehensive support package, i.e. *Gesetz zur Förderung der Wirtschaft von Berlin (West)* (Act for the Economic Development of West Berlin).[lii] It was approved in July 1962 and composed of direct subsidies, investment incentives and tax breaks for companies. In the subsequent years, the package was not only renewed but also expanded to include new subsidies (Large 2000, 464-5). Policy makers implemented inducements especially for moving subsidies, rent-controlled apartments, automatic pay supplements of 5 percent, and a 30 percent reduction in income taxes, in order to get more "native" Germans to West Berlin and to keep those already there from leaving. Goods that were produced in West Berlin and sold in West Germany benefited from reduced value added tax. At the same time, various

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federal agencies were transferred to West Berlin and their employees received a 17 percent supplement on top of their salaries.

This political rationality that promoted subventions became more dominant during the 1970s and 1980s (Watter 1985). The governments not only initiated tax breaks, business credits and salary bonuses, but also covered part of the costs to keep Allied troops and their dependants in West Berlin. Additionally, West German taxpayers covered half of West Berlin's budget until the fall of the Wall. Already in 1983, the Federal Government was financing more than 50 percent of West Berlin's budget (Smith 1994, 51). In other words, the risk of living on an island surrounded by the GDR and the so-called socialist threat was prevented by different techniques. Under these circumstances, the city started to receive the *Gastarbeiter* from Turkey.

As in other Mediterranean countries, recruitment offices in Turkey, which were organized by the *Bundesanstalt für Arbeit*, (BfA, Federal Labor Office) in West Germany, dealt with the legal and administrative framework to regulate the recruitment, flow and residence of "immigrants" in Berlin (Abadan-Unat 1974). That is to say that, a company in Berlin, looking for foreign labor, would pay fees to the BfA and then the BfA was responsible for testing and examining the juridical, medical and occupational status of the workers. The BfA was transferring the particular number and type of workers requested by employers to the *İş ve İşçi Bulma Kurumu* (Turkish Employment Service). This was possible only when no privileged workers, i.e. German citizens and European Economic Community nationals, could be found by the BfA. Following this stage, the Turkish Employment Service provided the lists of workers eager to go to West Germany to BfA recruitment offices in Istanbul, Ankara and Izmir.

In the early years of the 1960s, the proportion of urban "immigrants" was higher than the proportion of rural "immigrants", and they were relatively skilled and educated, in

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comparison to the working population in Turkey (Martin 1991). But in the second half of the 1960s, the number of unskilled workers from rural areas with a minimum level of education started to increase in the general "immigrant" labor pool. No matter where or which social background they came from, these "immigrants" were considered to be unskilled labor by the political rationality in West Germany. However, categorizing these "immigrants" only as unskilled labor would be too simple to understand the political rationality in Turkey.

According to the first Five Years Development Plan (1962-1967) in Turkey, the export of workers constituted an essential place not only in halting the increasing birth rate, but also in achieving a skilled and educated labor force. These were seen as the necessary elements of industrialization in Turkey (Abadan-Unat 2002, 43). The export of workers was considered to be a solution to the growing rates of unemployment and rapid urbanization. The huge budget deficit was also restructured in regard to the remittances of workers. Here, the Turkish Employment Service gave preference to applicants from less developed regions of the country, members of Village Development Cooperatives and people from officially designated disaster areas. By pursuing this line of action, Turkey was divided into three socio-economic development categories: developed, developing and less developed (Faist 2000, 176). Each year a different less developed province was given priority, with natural disaster areas receiving special attention. During this process, the applicants were asked to provide a residence certificate indicating that the person had maintained their residency for at least six months.

In this framework, it would be quite naïve to expect a huge variety of rights and freedom to "immigrants" from Turkey, who became subject to the regulations of two states even before their arrival into West Berlin. Still, West Berlin "welcomed" its "guests". This was a "welcoming" of the "other" under certain conditions regulated by different laws. The "host", i.e. West Berlin and in a broader context West Germany, "welcomed" the "guests"

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and thereby declared its authority. In other words, the foreigner was able to enter only by approving the conditions that the "host" had already concluded. The primary rule was actually easy to remember. The "guests" were allowed to stay as long as they worked within the framework of their contracts. At the end of their contracts they had to return or could prolong their work permits for a few years according to the needs of the capital.[liii]

As "guests" who were not meant to stay, "immigrants" from Turkey were above all considered to help with the shortage in the labor force in West Berlin. Keeping this in mind, they were compelled to settle in the traditional working class districts of West Berlin, namely, Kreuzberg, Wedding, Neukölln and parts of Tiergarten. According to the division of the occupied sectors of Berlin, Kreuzberg and Neukölln were in the American, Tiergarten was in the British and Wedding was in the French sector. Many of the houses lacked the infrastructure system that was widespread in other Western districts. The physical structure of buildings was crumbling (Elkins and Hofmeister 1988). They suffered from poor ventilation and little access to sunlight. In addition, the coal stoves were the only means of heating and the toilets were in the common hallways and staircases. In the island of West Berlin, these districts were scheduled for urban renewal before their arrival.[liv] Many former German inhabitants had already moved to other residential areas. There was less competition from Germans in these districts. Without doubt, rents were also cheaper in comparison to other parts of West Berlin. Interestingly, all of these inner city districts were adjacent to East Berlin, and therefore, the Wall.[lv] As a result, the districts inhabited by "immigrants" became socially and spatially marginal to the rest of West Berlin.

In these districts, alongside the "immigrants" from Turkey, there were other "immigrant" groups from Italy and Greece as well as various social groups, e.g. punks, Sixties radicals, students and hip artists.[lvi] Yet Berlin was, for the first time in its history, faced with a huge "immigrant" population from Turkey. In this sense, for visitors from other

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parts of West Germany and West Berlin, these districts did not look "German". Even more, West Berlin, according to the narration of the time, was the insane-asylum of the Federal Republic and some districts like Kreuzberg were the lock-down rooms (Large 2000, 467).

Although the presence of *Gastarbeiter* in West Berlin became more noticeable during the 1960s, there was no concern about their status. They were simply seen as a supply of labor that could be used in low-paid, unskilled, temporary, dirty and dangerous jobs that unionized German workers were not willing take part in. For the political rationality, these predominantly young men would work for a few years and then return to their country without leaving anything behind. Since they would not have dependants with them, sending money to their families in their "home" countries was not seen as a problem. Moreover, in terms of education and training they had no costs. On the contrary, in terms of tax and insurance contributions they were one of the most profitable means for the German welfare system.

Their presence was seen as temporary. It was attached to the needs of capital and hence revealed as conditional. According to this way of thinking, the import of foreign labor should continue, but only until the production reached its maximum level, at which point they could be sent back to their countries without any cost. These years were extraordinary. West Germany had to benefit from this limited period of time by any means. Under special conditions it had to implement special measures. For this reason, the assumption was that the recruitment and presence of *Gastarbeiter* would have a beginning and an end. Their presence did not require a place in the general law. New regulations, which addressed the order of their arrival, presence and departure, were more than satisfactory. This was not going to be a general reference in writing the German history and memory. Or, as Giorgio Agamben has appropriately put it, this was a *state of exception* (1998, 15-29).

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In the island of West Berlin, the conditional "welcoming" of *Gastarbeiter* from Turkey was an exception. This foreign labor force was brought into West Berlin without being a part of the political community, which caused a gridlock in terms of the law. Hence, they were not inside in the way it had to be. Although, according to Agamben, exception seems to be in the category of singularity; the character of the sovereign claim is the core of it (Ibid., 24-5). In this sense, the German sovereign power includes its outside by no longer applying to it.

> In the decision on the state of exception, the norm is suspended or even annulled; but what is at issue in this suspension is, once again, the creation of a situation that makes the application of the norm possible...that is, the state of exception separates the norm from its application in order to make its application possible. (Agamben 2005, 36).

To put it in terms of Agamben's famous formulation, "What cannot be included in any way is included in the form of the exception" (1998, 24). The obvious exclusion of the exception, i.e. the recruitment and presence of *Gastarbeiter*, was included in the juridical order. It is through this "inclusive exclusion," as Agamben calls it, that German sovereign power enabled a welcoming to the *Gastarbeiter* and defined their status until the beginning of the 1970s.

In this context, the period from 1968 to 1972 constituted the peak recruitment years in West Germany, during which the foreign labor force grew from 1 million to 2.6 million and made up the 12 percent of the German labor force (Martin 1994, 201). Although the population of West Berlin was slightly over 2 million between 1960 and 1972, the number of foreigners increased from 22,085 in 1960 to 128,897 in 1970 (Senator für Stadtentwicklung und Umweltschutz 1982, 22-3). During this time frame, there was also a boost in foreign employment, from 3,202 in 1960 to 58,370 in 1970. At the end of 1970, "immigrants" from Turkey (reaching 22,790) became the largest foreign labor force in West Berlin (Ibid., 125). Assembly lines, construction sites, textiles, food processing, refuse collection and office cleaning emerged as "immigrant" intense jobs.

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Despite various incentives in this decade, a mere 168 new companies established themselves in the city (Smith 1994, 51). The companies mostly focused on capital-intensive large volume production with unskilled labor. This was one of the characteristics of industrial relations in Berlin since the late 19th century, as it was discussed in the previous chapter in reference to Gary Herrigel's conceptualization of autarkic industrial order (1996).[lvii] In comparison to other West German cities, the value added tax deductions given to manufacturers in West Berlin intensified the employment levels in this sector much more than the financial and insurance sectors during 1960s (Senator für Wirtschaft 1972). The largest private employers were in manufacturing, energy and construction sectors and followed by services and then trade. Most of the manufacturing companies in West Berlin relied on high-volume production with little use of technology. The total income of the city grew from DM 9.043 million in 1960 to DM 19.375 million in 1970 (Statistisches Landesamt Berlin 1982, 334). On the other hand, the annual growth rate in terms of GDP was 4.2 percent during the 1960s.

However, this did not mean that Berlin was creating more jobs in manufacturing. While manufacturing employment was increasing in West Germany during 1960s, it was already diminishing in West Berlin. During this decade, West Berlin lost around 100,000 manufacturing jobs (Campbell 1990, 86). In addition, the employment in trade declined slowly, while transportation and communication employment rates remained flat during this period. Although the private service sector gained an impetus, the greatest increase was in public employment due to the subsidies that were spent on local and federal offices, social service programs, schools, universities and institutes (Ibid., 83). Under these conditions, it was not by accident that the German economy was operating mostly with the contributions of West German cities other than West Berlin.

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The existing division of labor among the cities in West Germany became more obvious. Banking in Frankfurt, heavy industry in Essen and the Ruhr, automobile manufacturing in Stuttgart and Münich, publishing in Hamburg and Frankfurt, international commerce in Düsseldorf and arms production and high-tech business in Swabia and Bavaria had already left behind the reputation of 19th century industrial Berlin.[lviii] Once the leading German city in terms of economic flow, Berlin became an island of tension in the local, national and global realms during the 1960s. At this point, historical features of West Berlin have to be kept in mind, especially to understand its relation with the "immigrants" from Turkey between 1961 and 1973.

West Berlin's confinement in East German territory, which became significant with the construction of the Wall, influenced the spatial practices. Most of the historical accounts underline four lacking aspects in describing the geographic isolation of West Berlin, i.e. lacking direct connections with East Berlin, Berlin's historical hinterland, West Germany and old Germanic territories in the east (East Prussia, Silesia, Pomerania).[lix]

First, as a divided city, Berlin lost its scale economies, infrastructure system and access to buildings and services. Although three western sectors were merged to form West Berlin with wealthier parts of the city, the division not only reduced the human capital of the city but also interrupted freedom of movement. Thus, it created different problems for the city administration in terms of its services (e.g. the subway system, police, communication, the sewage system and the gas and electricity plants) and for the economic actors that were concerned about the local market. For example, lacking Mitte (one of the most representative districts of the imperial capital) West Berlin was in need of a new city center with different uses. This new city center was found especially in the district around the Kaiser Wilhelm Memorial Church, Kurfürstendamm, Zoo Station and Wittenbergplatz. With expensive shops,

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cafés, cinema halls, theaters, discotheques and tourists, these areas formed the most popular capitalist showcase of West Berlin.

Second, the lack of a hinterland for West Berlin meant, above all, a limited access to the labor supply in terms of size and flexibility, which was a great advantage for other West German metropolitan areas. This was also related to the housing market. For example, a more affordable housing on the periphery, which would be crucial for the flexibility of labor force, was not an option for West Berlin. Similarly, certain commercial facilities and industries, which were in need of more space, were not able to expand to the hinterland. Hence, they had to find a way to relocate their operation to central areas or out of the city entirely. On the other hand, for the small and medium size firms that were not able to move out of the city or establish business relations in West Germany, the loss of hinterland was not desirable for marketing their goods and services.

Third, West Berlin was also cut off from West Germany. This meant not only additional distance costs due to various fees but also a burden in terms of time, since travel to and from the city was restricted to particular routes. As a result, traveling to West Berlin was considered to be risky and time-consuming both by the companies and by the inhabitants of West Germany. This inevitably brought a loss of revenue and a kind of mental isolation to the city.

Fourth, the loss of eastern territories to Poland and the USSR prevented the city from benefiting from the transportation links between “less developed” and “more developed” areas of the country. This damaged the appearance of Berlin’s “strong” political and cultural image in “eastern and central Europe”.

However, the geographical isolation cannot be the only explanation by which the conditions of West Berlin can be interpreted. According to Campbell, first, the destruction of the city’s dynamic economic momentum by World War II, second, the distortion of its

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economic structure and delay of modern restructuring due to industrial subsidy programs and third, the loss of its role as the German nation's capital city should also be taken into consideration (1990).[lx]

First, the break with its past glory and dynamism challenged Berlin's central position in Germany. This break was mostly caused by wartime destruction, dismantling of the remaining industrial capacity by the Allies, relocation of capital city functions to Bonn and diffusion of industry and finance to new centers. The impacts of these discontinuities on West Berlin were lower economic performance, increased costs of rebuilding and flow of businesses, capital and labor into West Germany.

Second, the subsidy programs from the mid 1940s until the end of the 1980s were implemented to provide for the needs of the population (e.g. food, clothing and medical care), rebuild the city, provide West Berliners with the same standard of living as West Germans, deal with disadvantages of location, make use of West Berlin's advantages of location and preserve the city as a western military/intelligence site and showcase of western lifestyle. Besides the positive effect on the economic development of West Berlin, the subsidy programs, according to Campbell, created inefficiency and uncompetitive businesses (1990). They were not able to support small firms and create new jobs, since the emphasis was given to the value added tax in West Berlin and the operations of large-scaled enterprises.

Third, except for being a dominant power of industry, commerce and technological innovation in "Central Europe", as Campbell underlines, Berlin was, throughout its history, the capital with a huge bureaucratic labor force (1990). This function paved the way for the development of a private sector that could provide the public sector and its employees with goods and services. In this sense, the tight relationship between the state and industry was more than evident. Therefore, Berlin presented itself not only a city with the economic interests of its inhabitants in mind, but also as the city with political objectives for the

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German nation state. The loss of this function without doubt affected in a negative way the public employment, its purchasing power and its influence on the private sector. On the other hand, during the Cold War era, West Berlin gained an ideological status by becoming an "island of freedom" against the Warsaw Pact.

Considering all of these remarks as they relate to one another, West Berlin, from 1961 until 1973, became the most "exceptional" West German city. In this "exceptional" space, "immigrants" from Turkey were indeed considered to be one of the most remarkable groups of "guests". However, another rupture, just like the construction of the Wall in 1961, emerged in November 1973 when Willy Brandt's administration issued the *Ausländerstopp*, an order banning all recruitment of foreign workers from non-EEC countries. The October 1973 oil embargo was given as a justification for the ban on recruitments. For the political rationality, the ban would not only prevent further possible waves of immigration to West Germany, but would also initiate the return of existing "immigrants" to their "home" countries (Martin 1994, 201-4). Yet, the experiences during the 1970s and 1980s were going to prove that this was an error or a faulty calculation.

3.2 Episode II: Becoming a Part of the "Social Problem"

Starting from the early 1960s, West Germany (like other countries of "Western Europe") obtained capital accumulation mostly by the exploitation of foreign labor until the beginning of the 1970s. Yet, the import of labor, in order to foster relatively labor-intensive expansion, was gradually replaced with the export of capital and jobs to low-wage countries during the 1970s and 1980s (Leaman 1991 and 2000). This had a crucial impact on the production structure of West Germany because of the growing integration of international financial markets and global monetary shocks. The floating exchange rate, growth in public debts and high level of interest rates led to significant unemployment rates. The intensification of industrial competition also paved the way for various technological

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innovations and diversification of production. According to policy makers and economic actors, reforming the organization of firms and decentralizing the production became unavoidable measures to deal with these economic impacts. However, the implication of these measures created problems in various regions of West Germany. Especially the autarkic regions, including West Berlin, were severely affected (Herrigel 1996, 235-253). In this context, the story of "immigrants" from Turkey in Berlin started to become completely different from the previous decade.

At the end of the 1960s the "immigrants" had already found ways to bring their families to West Germany. These early family reunifications were done either by getting the second partner recruited as a worker or by bringing the children as tourists (Joppke 1999, 62-99 and Velling, 1993). Unlike this early phase, the family reunifications after 1973 were accomplished without any justification in terms of labor market regulations. Workers feared that they could not return to West Germany after the decision of *Ausländerstopp* and hence brought their families. The reply to this unexpected flow of "immigrants" came straight away.

After the decision of *Ausländerstopp*, the government, first of all, declared that foreigners could not move into cities in which they represented 12 percent or more of the population (Martin 1994, 203). Although it was hard to enforce, this regulation to a certain extent constrained the mobility of "immigrants". Later, it was followed by two inter-related measures.

The tax reform of the SPD (*Sozialdemokratische Partei Deutschlands*, Social Democratic Party) - FDP (*Freie Demokratische Partei*, Free Democratic Party) government, coming into force in 1975, made substantial increases to child benefits, but the "immigrants" were allowed to benefit from this reform only if their children were living in West Germany (Schmidt 1978). Here, the government was aiming to save around DM 1 billion per year by

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assuming that the children would stay in their "home" countries. Nonetheless, the government had to change its plan, since the tax measure ended with more children (and sometimes with their grandparents) coming into the country, especially from Turkey and Yugoslavia (Castles 2000, 48). Therefore, a related measure was introduced within the framework of *Stichtagregelung* (Qualification Date). According to this, foreign workers' dependants who entered the country after November 1974 would not receive a labor permit. The children of "immigrants" could receive compulsory education but would not be permitted to get employment after completing school, if they entered after this date (Ibid., 48-49). That is to say, the government tried to ensure that the children who had benefited from the tax reform would return to their countries of origin when they became adults.

Moreover, in order to underline its position in terms of foreigners' policy, in 1977 the government formed a joint federation-*Länder* commission and declared the famous phrase: *Deutschland ist kein Einwanderungsland* (Germany is not a country of immigration) (Renner 1987, 1003-29). Under this formulation, the government aimed to prevent further labor "immigration", encourage return migration and integrate the remaining foreigners into the German society. These goals represented not only the trajectory of SPD-FDP government, but also the continuity in the political rationality.

Coming into office in October 1982, the Kohl administration confirmed the phrase by forming a second federation-*Länder* commission in 1983 and introduced the French system of payment to encourage foreigners to return to their home countries (Martin 1994, 204). In this system, an "immigrant" family had to give up its work and residence permits in order to receive a bonus for leaving West Germany. In addition to this bonus (up to $5000), departing workers would be able to get their share of social security contributions refunded when they returned to their countries.

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However, these measures, which tried to discourage the presence of "immigrants" in West Germany, were not able to prevent the increase of this population from 4 million in 1973 to 4.5 million in 1980.[lxi] For the policy makers, the outcome was even worse when the foreign labor force was calculated. During this period, the dependant foreign population increased much faster than the German population, while the foreign labor force fell from 2.6 million to 2 million. For West Germany, this picture meant the end of economic benefits provided by the *Gastarbeiter* and the emergence of a large foreign population with various social costs.

The *Gastarbeiter,* once the symbol for both minimizing social and political costs and maximizing economic profits, had now turned into a category of social concern, fear and risk. It was a category that did not exist in the imagination of the political rationality as a part of the "social question" until the beginning of the 1970s. Starting with the 1970s it became one of its most crucial components that needed to be dealt with, cared for and integrated. The "social questions" of the 19th century, i.e. pauperism, an industrial working class, the socialist labor movement and social revolution, had to include the "immigrant" population in its framework a century later. Policies towards the "immigrant" population in the FRG had to cover the fields of education, housing, unemployment and retirement, besides the labor market. These parameters were especially crucial in West Berlin, in which "immigrants" from Turkey, as the largest foreign population, had been living with families since the beginning of the 1970s.

According to statistics, the number of Germans in West Berlin fell from 2,029,805 in 1970 to 1,771,239 in 1980, whereas the foreign population went up from 128,897 to 233,011 (Senator für Stadtentwicklung und Umweltschutz 1982, 22-3). In other words, the foreign population became 11.6 percent of the total population in 1980. Although the labor force in the city had always been above 900,000 since the construction of the Wall, it declined

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gradually during the 1970s, but then started to climb during the 1980s. Unlike this pattern, the number of unemployed increased sharply starting at the beginning of the 1970s. The unemployed inhabitants of West Berlin climbed from 10,000 in 1973 to 34,000 in 1980 and to 96,961 at the end of 1988 (Campbell 1990, 79b-79c). On a broader scale, the unemployment rate in West Berlin remained one or two percent above West Germany's average.

In terms of employment, "immigrants" from Turkey, in comparison to other groups, were in the lead, just as they had been in the previous decade. The official employment of "immigrants" from Turkey rose from 22,790 in 1970 to 44,422 in 1980 and they were followed by the employment of "immigrants" from Yugoslavia, Greece, Italy and countries outside "Europe" (Senator für Stadtentwicklung und Umweltschutz 1982, 125). "Immigrants" from Turkey constituted almost half of employment among the foreign population. This was particularly crucial, since the contribution of employees had been more than twice the contribution of businesses and other means of wealth in West Berlin's total income level during the 1970s and 1980s (Campbell 1990, 82d). At this point, a snapshot of the economic structure of West Berlin is necessary to illustrate its relation with "immigrants" from Turkey.

Throughout the 1970s and 1980s, almost three-fourths of the people employed in West Berlin were in the private sector, and one-fourth in the public sector (Ibid., 83a). Agriculture made up only a very small percentage of the total employment. Similar to the 1960s, manufacturing, energy and construction sectors were leading West Berlin's economy. Among these three sectors, employment in manufacturing suffered much more than it had in the previous decade. It decreased to half of the capacity that had been reached in the 1960s. Since the city was mostly based on unskilled and semi-skilled production, it did not become a magnet for upper level corporate functions, which some West German cities made use of during the 1970s and 1980s. Lacking these functions that controlled high wages and

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investment decisions, West Berlin was able to attract only a few headquarters of the main West German companies. Instead, it dealt with lower wages, few improvements in terms of new employment opportunities and risk of shutdowns.

On the other hand, the total contribution of the manufacturing, energy and construction sectors was in decline, in comparison to the private and public service sectors (Senatsverwaltung für Wirtschaft und Technologie 1992). During the 1970s and 1980s, public service employment was doing much better than the private service employment, mainly because of the direct and indirect subsidies to West Berlin. With this motivation, public and private service sectors were able to provide a bit more employment than manufacturing by the middle of the 1980s, even though the contribution trade, transportation and communication was still low in comparison to other West German cities (Campbell 1990, 85a). The gap between the number of inhabitants and employment opportunities was widening, and in this sense, West Berlin had already exceeded the unemployment rates at the national level. Therefore, the developments in private and public service sectors, as well as trade, transportation and communication did not help West Berlin to cover the loss of jobs in manufacturing.

Trade turned out to be a crucial component of the isolated West Berlin's economy, mostly at the end of 1970s. West Germany had been the major partner in terms of exports and imports. The exports of West Berlin to West Germany increased from roughly DM 1.6 billion in 1973 to roughly DM 2.6 billion in 1987, while the imports for the same period reached from roughly DM 1.5 billion to roughly DM 1.9 billion (Senator für Wirtschaft und Arbeit 1988b, 129). Following West Germany, Holland, France, Britain, Italy, Belgium, the United States and Japan emerged as the key trading partners of West Berlin (Ibid., 131-2). Most of these countries imported much more than they exported from West Berlin. Yet, the gap became nearly flat at the end of the 1980s. West Berlin was also trading, to a lower extent,

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with “developing” countries and this was above the level of trade with the so-called State Planned Economies, namely, the USSR, Czechoslovakia, Hungary, Romania, Bulgaria, Albania, Vietnam, Mongolia, China and North Korea. Thus, the city was able to develop a moderate trade capacity, even though it fell behind the other cities, in spite of all the difficulties deriving from structural economic problems (Senator für Wirtschaft und Arbeit 1988a). The subsidy programs were one of the most influential factors in this performance.

As discussed above, West Berlin started to receive intensive support right after the end of the war. Other West German cities and regions also obtained different forms of federal assistance, but West Berlin marked the most compound and expensive space experiencing these subsidies. Even though the political tension between the Western and Eastern Blocs was not as intense as it had been in the previous decade, the financial support programs for the city governments, individuals and private businesses were above all decisive during the 1970s and 1980s. That is to say, West Berlin, the symbol of the Cold War, did not have to improve its role as the “defender of freedom”. Yet the policies suggested the opposing argument.[lxii] As a result, more than half of the city’s budget was produced by the federal support programs. While the federal support covered 52.9 percent of West Berlin’s budget (DM 6.9 billion) in 1970, this level increased continuously and covered 59.1 percent of DM 18.5 billion in 1980 (Deutsches Institut für Wirtschafsforschung 1983, 538). Within this process, there was also a shift in the trajectories of subsidy programs, though the level of support remained high.

One of the crucial shifts in the subsidy programs was carried out in 1970 by the city and federal governments (Campbell 1990, 210-3). Until this time, sales tax reduction for the producers in West Berlin relied on the profits that were made from the final sale of goods. Since there was no obligation that the whole production process be performed in West Berlin, manufacturers from different parts of West Germany made use of this tax reduction by

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moving a very simple part of production to the city. With the change in 1970, the producers would benefit from the tax reduction in terms of the rate of value added. Such a shift was obviously favoring West Berlin firms over their West German counterparts (Hagen und Hornschild 1983). This also promoted products with high value through capital and labor intensive production. Yet, this alteration neglected not only the producer services in the conceptualization of value added, but also the proportion of value added. At the end, these measures did not prevent the manufacturing sector to lose one-third of its labor force because of the changes in production technology and markets during the 1970s.[lxiii]

West Berlin experienced another change with the beginning of the 1980s. The election of the CDU (*Christlich Demokratische Union*, Christian Democratic Union) to the city government in 1981, a year before Helmut Kohl became the chancellor of West Germany, was a crucial point in terms of the policies and subsidy programs in the city. The SPD-FDP coalition governments in West Berlin, between 1975-1979 and 1979-1981, encouraged, to a limited extent, the economic policies to move towards high technology, advanced services and information processing. During the 1980s, these terrains became decisive in the economic policies of a CDU government in West Berlin (Hornschild und Müller 1986 and Hornschild 1983). The revision of the subsidy program, which was agreed upon in 1982 and came into effect in 1985, represented one the indicators of this shift (Titzmann 1983).

By targeting the producer subsidy, the government tried to dampen the production with a low value-added quota, and to support the production depth in the city (Campbell 1990, 215-7). In order to achieve this goal, they changed the method of calculation for the value added. The city-specific method, by adding all non-material inputs used in the city, initiated the producer services. With this new method the location of producer became crucial, unlike the old firm-specific value-added method that was calculated by subtracting

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the final value of the good from material inputs. Moreover, the government altered the value-added as a percentage of total value and differentiated manufacturing in terms of high and low percentage value added. Both of these were basically attempts to foster small and medium sized firms, investment goods, and a high-tech world in West Berlin. These policies can also be associated with the broader debate of *Standort Deutschland*, which highlighted the competitive power of particular locations and the desire to mobilize the potentials of regional economies beginning in the middle of the 1980s.[lxiv]

However, these subsidies and related policies were not able to suddenly modify the dominance of mass production plants with low value added operations and the contribution level of producer services and export-oriented products. As a consequence, the economic structure of West Berlin, with its continuities and discontinuities from the last decade, preserved its particular and exceptional position.

This economic structure in West Berlin had unavoidable impacts on "immigrants" from Turkey. To begin with, it was acknowledged that these "immigrants" were not only composed of the *Gastarbeiter* category (Statistisches Landesamt Berlin 1980). There were already illegal "immigrants", asylum seekers and family members of "immigrants", which could not be easily controlled with the methods applied to the *Gastarbeiter*. They could no longer be restricted to the cost benefit analyses of economic policies. Unlike the rotation principle of the 1950s and 1960s, "immigrants" were using alternative ways to get a job and to settle down during the 1970s and 1980s. Already by the early 1970s, the number of workers that applied to the Turkish Employment Office in order to be employed in West Germany was over 1 million, and once they applied, their names were added to a 6 to 7 year waiting list (Abadan-Unat 2002, 48). As a result, many of them took tourist visas and, after entering West Germany, searched for jobs where they could be employed as illegal workers.

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The employment opportunities for these illegal "immigrants" emerged at the margins of the labor market and the services sector.

Similar to illegal "immigrants", the number of asylum applicants was relatively small until the beginning of the 1980s. Between 1953 and 1968, the total number of asylum applicants was 70,000, and this number increased to 116,000 between 1968 and 1978 (Martin 1994, 211). Although the recruitment of foreign workers was abolished in 1973, an asylum application was never an alternative way for "immigrants" from Turkey to enter West Germany, until the beginning of the 1980s. This was partly due to the economic advantages of family reunification in the 1970s and partly because of the possibility of accessing the social rights in West Germany. In other words, asylum seekers (following the illegal "immigrants") were considered to be the worst group in accessing the social rights. Since the costs of asylum seekers were covered by local authorities and partially by the Länder and federal government, strict regulations on asylum reduced the rate of recognition of applicants in the second half of the 1980s and beginning of the 1990s (Faist and Häußermann 1996, 84-90). However, the number of asylum applicants rose from 809 in 1976 to 57,913 in 1980, following the military coup in Turkey (Abadan-Unat 2002, 56). The absence of a visa requirement and practice of giving a work permit to asylum applicants in the early 1980s increased the number of asylum seekers from Turkey.

Second, the issue of "integration" became a top domestic priority after the second half of the 1970s. Since the "guests" were going to be a permanent part of the "host", "integration" needed to be promoted to prevent their "unwelcome" impacts, including peasant family backgrounds, large families, increasing birth rates, illiteracy, low language skills, poor educational performance, low occupational status, increasing unemployment and crime rates, residence prominently in certain districts of the city, traditional gender roles, place of Islam in the daily lives and political conflicts, on the social order of the FRG and

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particularly West Berlin. Most of these issues were seen as threats, risks and problems to the homogeneity and prosperity of the society, polity, state and West Berlin.[lxv]

However, these risks could not be totally wiped out. The *Gastarbeiter*, functioning as the economic buffer, were easily sent back in crises during the 1960s, since it was legitimized by the 1965 Aliens Law and 1969 Work Development Law. Although the SPD-FDP and CDU-FDP governments continued to initiate various policies and proposals to send the "immigrants" back to their "home" countries during the 1970s and 1980s, they faced strong opposition from the *Deutscher Gewerkschaftsbund* (Confederation of German Trade Unions). Here, it should also be kept in mind that the *Deutscher Gewerkschaftsbund* was not able to develop a coherent opposition to the policies of these governments, because of its internal disputes on the issue of "immigrant" labor force (Kühne 2000). In addition, according to the political rationality, the "immigrant" labor force could be in demand during crisis periods or economic restructuring.[lxvi] In this sense, "immigrants" that could prepare themselves to adapt to the changing situations in West Germany, could be useful and be easily controlled with different regulations.

In other words, since a total deportation of "immigrants" was not a reasonable option during the 1970s and 1980s, the political rationality focused on the problems deriving from "immigrants" and their "integration". Accordingly, the problems should be lessened to a manageable level. Here, it was not a coincidence that the German parliament approved the establishment of the Commission for the Promotion of Integration of Foreign Workers and Their Families in 1978, under the umbrella of the Ministry of Labor and Social Affairs. Additionally, considering the possible costs of these problems in the future, West Berlin became the first German state to set up the *Beauftragte für Integration und Migration des Senats von Berlin* (office of Commissioner for Integration and Migration of the Berlin Senate) in 1981.

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Third, education turned into one of crucial problems of "immigrants" and their "integration" in West Berlin. This was due to several factors.[lxvii] Above all, except for language and job related training courses, providing a full educational program to "first generation immigrants" was never on the agenda of policy makers. "First generation immigrants" were already on the lowest level of the labor force due to their lack of education and training and as a result of discrimination. Such a plan would have been more expensive than educating the "second generation". The education policy was the responsibility of the state governments, and in this sense, West Berlin could not afford such an expensive initiative. Besides, "second generation" was seen as an option for the labor market in West Berlin and hence focusing on their education would be a long-term investment and easier to shape and to deal with.

In fact, considering the close connection between school graduation (*Hauptschule*, *Realschule*, and *Gymnasium*) and job opportunities in the German system, education was the only way to "integrate" the "children of immigrants". For example, in the vocational training system, the "second generation" experienced higher unemployment rates and lower enrollment rates of school-leavers in job training than the German youth during the late 1980s (Faist 1994, 443).[lxviii] However, depending on the economic sector, the "second generation's" income development became more favorable compared to the "first generation". While a favorable income development of "second generation" was apparent in manufacturing, it was lower than their German counterparts in the services sector (Seifert 1998, 97).

This was mostly related to the growth of producer service industries and new organization of work (e.g. part-time and "flexible") and the class-based corporatist policies (Faist 1994, 447-8). First, the training policies, formed with the participation of trade unions and employers' associations, did not guarantee skilled jobs to all apprentices, even though

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they ensured a high quality of job training. Second, the class interests of employers and workers were organized in such a way that the equal opportunities for the "second generation immigrants" were not secure. Third, the development of universal policies, guaranteeing access of all school-leavers to quality job training, did not offer a better formulation and hence the existing job relations favored the German apprentices to enter into prestigious positions rather than "second generation immigrants". However, "integration of the second generation" into the labor market was essential to cover the increasing costs of social policies. That is to say, "second generation immigrants" became crucial in terms of the contributions to the social security system, which were clearly acknowledged with the statistics about the increasing aging and decreasing birth rates among the German population.[lxix]

Moreover, education is seen as the most effective form of socializing, to introduce the "German way of living" to the "children of immigrants".[lxx] This does not intend to alter completely the "immigrant way of living". Rather, its goal is to clarify the host's rules and the existence of the "immigrant way of living" within this context.[lxxi] According to this rationality, "immigrants" should preserve "their way of living", which derived from an ontologically different culture, as long as they do not become a threat or burden to the functioning of norms; e.g. "modern democratic" patterns, a "German way of living" and the prosperity of society.[lxxii]

Furthermore, education became an essential catalyst to get in touch with the families of "immigrants" during the 1970s and 1980s.[lxxiii] It was able to provide statistics and information (about the social background of families, life qualities and physical and mental welfare of its members through nurseries, preparatory classes and classes taught in their mother-tongue) and explain the under-attendance at school, under-representation in upper levels of education, the practice of keeping teenage girls at home to look after younger

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siblings, the practice of sending boys out to work before school-leaving age, crime rates and poor language skills.

It was under these historical features that West Berlin started to experience an increase in the number of small businesses run by "immigrants". Principally, "immigrants" from Italy and Greece took the initiative to establish enterprises starting at the end of the 1960s in West Berlin, even though the total number of these "immigrant" groups in West Berlin constituted a very small percent in comparison to other West German states (Wilpert 2003, 241 and Zaimis 2001, 52-8). In this sense, "immigrants" from Turkey were not significant before the first half of the 1980s. Following the opening of the first butcher shop in 1968, five grocery stores were set up by "immigrants" from Turkey in 1970 (Gitmez and Wilpert 1987). Although their number was very limited, the transportation firms, translation services, cafés and retail stores started to emerge in the second half of the 1970s and, hence, diversified the services that were provided. *Döner Imbiss* stands or small bakeries also appeared during this period (Caglar 1995). However, small businesses owned by "immigrants" from Turkey were going to gain an impetus during the 1980s.[lxxiv] This was an interesting timing in terms of the image of "immigrants" from Turkey in West Berlin.

This was the time when the unemployment among "immigrants" from Turkey went up much faster than that among Germans and other "immigrant" groups (Beauftragte der Bundesregierung für Migration, Flüchtlinge und Integration 2010).[lxxv] It was also this period that the "immigration" was taking place through family unification, asylum seeking and other ways and, hence, the population of "immigrants" was increasing. As a consequence, research and statistics about housing, child care, health care, education, training, family support programs, the labor market, social benefits and crime started to focus heavily on the "immigrants" and considered them as a part of the "social problem".[lxxvi] Being a part of "social problem" increased the policies geared towards "immigrants", since an eye had to be

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kept on them. The "immigrants" could continue "their way of living" as long as the impacts did not exceed a manageable level. The policies were, on the one hand, aimed at promoting the return of "immigrants" to their "country of origin" and, on the other hand, aimed at underlining the necessity of "immigrants" who could adopt themselves to the changing circumstances.

During this period, the West German economy was also restructuring itself in relation to the transformations in production and organization of world capitalist order. As a part of this restructuring, the *Standort* debate was gaining more support and the costs of social benefits provided by the welfare state were questioned in depth. West Berlin continued to receive subsidies from the federal level at an accelerating rate and, hence, constituted one of the most costly states in the Federal Republic's budget. It was under these conditions that "immigrants" were establishing their small businesses and becoming entrepreneurs.

In this sense, it was perfect timing, and was in line with the promotion of a society made up of enterprise-units, not only in West Germany, but also in different parts of the world, Margaret Thatcher's United Kingdom and Ronald Reagan's United States being the forerunners. The entrepreneur within this formulation could not only be associated with the classical conceptualization of *homo oeconomicus*. In other words, it is not only an individual acting rationally for his/her well-being that is defined through the optimization of needs with the least possible costs. The entrepreneur is not only the partner of exchange as conceptualized in the theory of utility. Containing these formulations, but also going beyond them, this is an entrepreneur of him/herself, in control of his/her own capital, acting as his/her own producer and existing as the source of his/her own earnings (Foucault 2008a, 226). Therefore, the "immigrant" was becoming an investor not only in terms of the effects on economic mechanisms but also in terms of the behavior as an individual enterprise, an enterprise of oneself. This was an unexpected change for the image of "immigrants" in West

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Berlin, and in West Germany as a whole, which was going to be followed with another surprising transformation at the end of the 1980s, i.e. the fall of the Wall.

3.3 Episode III: Undertaking a "Responsibility" after the Fall of the Wall

The Wall, which used to divide the world metaphorically, came down on November 9, 1989. Just like its construction, the fall of the Wall was an unexpected development for the inhabitants of Berlin, and once again, it was going to change the practices of daily lives in the city. This rupture had significant political, economic, social and cultural consequences for the city and FRG, as well as for the rest of the world, e.g. in representing the end of Cold War, in the demise of the Soviet empire and in the change of the power relations.

The fall of the Wall in 1989 and reunification in 1990 created enormous expectations for the economic dynamism of Berlin. On November 10, 1989, right after the opening of the border crossing in the city, the value of Berliner Bank shares increased 7 percent (Schmoll 1990, 677). The currency union in 1990, specifically the introduction of the *Deutschmark* to the GDR, boosted the consumer demands of East Berlin inhabitants. This was derived from the fact that the conversion rate was high and people got more for their GDR Marks than they were worth (Smith 1994, 184). It was a transfer of wealth from West Germany to East Germany. The decision in 1991 to move the federal seat of parliament and government from Bonn to Berlin also increased the confidence for the economic dynamism of the city, as a center of exchange between "eastern and western Europe". In 1992, the employment data indicated net jobs gains in different sectors in West Berlin (Strom 2001, 83). Even employment in the manufacturing sector, which was in decline throughout the 1970s and 1980s, surged temporarily. The severe effects of the job losses in manufacturing were lessened briefly with the support of service employment on both sides of the city. The unemployed inhabitants in the east, which were receiving stipends for retraining, taking part in public work projects or getting federal unemployment benefits, were able to follow the

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general consumption patterns. However, this confidence in the economic dynamism did not continue in the rest of the 1990s.

During the early years of the reunification, it was assumed that the population of Berlin would slowly expand with internal and international migration and hence could provide new trajectories with its creative and productive social capital.[lxxvii] According to the statistics of 2004, Berlin is the eighth most populated German state (Statistisches Bundesamt 2005, 35). The population increase in the first half of the 1990s was mostly related to the influx of foreigners, but it did not prevent the decrease of population in the second half of the 1990s. In this process, the increase of population in the western districts of Berlin did not pave the way for the increase of foreigners in the eastern districts (Statistisches Landesamt Berlin 2000, 9-13). The increase of single and decrease of multi-person-households was also different between the western and eastern districts of the city. This resulted from the large number of "immigrants" settling in the western districts in comparison to the "immigrants" living in the eastern districts. In the western districts, 67 percent of the foreign households were multi-person-households (Ibid., 14). In general, Berlin has been facing fewer families with children, more children living with one parent and more unmarried partners, which have created problems in the labor market of the city, since the beginning of the 1990s. As a result, the total labor force of Berlin has lost more than 100,000 people.

Yet, the city has been facing not only a diminishing labor force, but also an increasing unemployment rate. More than 250,000 jobs were lost between 1990 and 2000 (OECD 2003, 18). According to the Federal Statistical Office, while the unemployment in Germany reached 10.5 per cent in 2005, Berlin was over this average and had the fifth place among other federal states with an unemployment rate of 17.6 percent (Statistisches Bundesamt 2005). Similarly, the labor market report of the IHK (*Industrie und Handelskammer*, Chamber of Industry and Commerce) in Berlin declared 310,400 people as unemployed in

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March 2006 (Rothe 2006). Within these statistics, the foreigners and youth constituted the social groups with the highest unemployment rates. The number of people relying on the unemployment benefit payments sharply increased to 280,000 in 1998, whereas the number of social welfare beneficiaries rose from 65,200 in 1991 to 184,400 in 1999 (OECD 2003, 18). In parallel to this, the share of part time jobs rose from 13.5 percent in 1991 to 18.6 percent in 1999; albeit, the level of increase in terms of part time workers differed in West Berlin (from 17.9 to 21.1 percent) and East Berlin (from 6.7 percent to 14.9 percent).

The transformation starting in the beginning of the 1990s was also obvious in terms of the distribution in the labor force. The majority of the labor force concentrated on the services sector at the end of the 1990s, which was in line with the trend in Germany. This was a substantial shift for Berlin in comparison to the last three decades. The number of people employed in the services sector reached more than five times those in the manufacturing sector (Statistisches Landesamt Berlin 2000, 78). After the reunification, Berlin lost over 11 percent of its manufacturing employment between 1991 and 1995. This was seen as an inevitable impact of market competition and higher land prices (Strom and Mayer 1998, 126). The number of jobs lost in manufacturing reached more than 150,000.

The impact of these structural changes was not the same in the eastern and western parts of the city. Between 1991 and 1999, East Berlin lost 79.9 percent and West Berlin lost 43.2 percent of their manufacturing labor force (Statistisches Landesamt Berlin 2000, 41-4). The outmoded technology and low productivity level of East Berlin's industrial sector were considered to be the main factors of this difference in the loss of manufacturing jobs. The loss of the Eastern European markets without corresponding openings in West German markets also intensified the impacts of decline in manufacturing for the eastern districts of Berlin. In this framework, during its restructuring, East Berlin's industry experienced only a small increase of its overall share in turnover (OECD 2000, 18). On the other hand, the recession of

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West Berlin's industry since 1992 was associated with the high percentage of supplier and processing industries, the high percentage of unskilled "immigrants" with low education and training in the labor force, mass production aided by the federal subsidies and the lack of interaction with its hinterland.

In addition to this distinction between East and West Berlin, the intermediate goods industry created the most employment in the manufacturing sector, whereas the investment goods industry remained the most severely affected sector during the 1990s. The massive decline in the middle of the 1990s was reflected in the employment and turnover rates at the end of 1998. Despite this fact, there was an increase in the number of companies engaged in the construction sector, especially in the eastern part of the city (Statistisches Landesamt Berlin 2000, 45). Moreover, the turnover of small enterprises increased as costs diminished and East Berlin contributed to only half of the turnover generated in West Berlin (Ibid., 50-1). All of this restructuring led to the growth of Berlin's expenditure rising faster than the growth of its revenue, which was mostly covered by shared, trade and municipal taxes (Ibid., 161).

The restructuring also became obvious in terms of the indicators on business registrations, de-registrations and modifications. Starting in the second half of the 1990s, the services sector, wholesale and retail trade started to dominate the economic scale of Berlin, followed by the construction sector (Berlin IHK 2006, 68). Although there have been more business registrations than de-registrations since 1990, Berlin experienced a slow-down in terms of business registrations. Yet, this slow-down in business registrations also altered in the early years of the 2000s (Senatsverwaltung für Wirtschaft, Arbeit und Frauen 2005a, 10). Already in 2004, the GDP of Berlin reached € 79.5 billion (€ 13.5 billion from the manufacturing sector and € 58.3 billion from the services sector) (Senatsverwaltung für Wirtschaft, Arbeit und Frauen 2006, 31). The services sector was dominated by the finance

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and business services, with a GDP of € 24.2 billion, public and private services with a GDP of € 22.6 billion and handiwork with a GDP of € 6.6 billion. The level of food, tobacco, electro-technic, chemical and printing industries emerged as the main fields in the manufacturing sector in terms of their contribution to Berlin's GDP, outside of the construction sector (Senatsverwaltung für Wirtschaft, Arbeit und Frauen 2005b, 14). Except for 1992 and 1993, the percentage of change in Berlin's real GDP did not exceed the average real GDP of Germany. In terms of the real percentage of change in GDP, Berlin was the third worst in 2004 and 2005. Although Berlin's GDP per capita went over € 20,000 in 2003, it was still below the average of Germany's GDP per capita (over € 25,000) and hence it was positioned in the sixth place from the bottom among the federal states (HWK und IHK 2004, 17).

During the 1990s, Berlin's exports also decreased from slightly over DM 14 billion to roughly DM 13.9 billion. Its share in the total German exports went down from 2.1 percent to 1.4 percent and its imports declined from almost DM 11.6 billion to less than DM 8.8 million (Statistisches Landesamt Berlin 2000, 150-1). Within the first three quarters of 2005, 58 percent of Berlin's export was directed to the "European" continent (16.3 percent to the Asian and 12.6 percent to the American continents) and 71.2 percent of its import was controlled by the "European" continent (11 percent from the Asian and 15.9 percent from the American continents) (Berlin IHK 2006 66).

The poor performance of the private sector during the restructuring of Berlin inevitably reduced the income, business and property tax revenues. On the other hand, the rise in the unemployment rate, the cost of reunification and the demands to generate a more business-friendly environment contributed to the fiscal burden on the city governments.[lxxviii] By the year 1997, Berlin's debt (over DM 45 billion) exceeded its annual revenues and hence the city started to pay DM 3.5 billion interest annually to the banks (Strom 2001, 87-91).

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Withdrawal of the federal funds was one of the leading factors of this fiscal burden, albeit the local budget continued to receive a considerable amount from the federal support programs. Additionally, the large number of public employees and state-owned companies (mostly in housing, health care and utilities), because of their increasing costs in the budget, led the governments to take some measures in the second half of the 1990s. In this manner, the increase in job cuts in the public workforce, privatization measures and reductions in the spheres of education, culture and social services were the priorities of policy makers. Some public assets and shares of municipal water and gas utilities were sold off in order to gain long-term income for the city. Administrative changes were formulated with the motto of better management and economic efficiency. The size of the cabinet and of the local parliament was reduced. Various agencies were consolidated and some of the district governments were merged in 2001.

Being historically embedded in an autarkic industrial order (chapter 2), Berlin also constituted a special place for large-scale enterprises during this economic restructuring. According to the 2004 economy report of IHK and HWK (*Handwerkskammer*, Chamber of Handicraft), among the top 100 national and international companies in Berlin, which were calculated in terms of their economic contribution, 58 of them had their headquarters within the city borders (HWK und IHK 2004, 12-4). In comparison to the period after the construction of the Wall, this development was interpreted as a positive indicator for the economic competitiveness of Berlin among the urban hierarchy of German cities.[lxxix] On the other side, Stefan Krätke and Renate Borst underlined the low economic control capacity of Berlin that was outlined in the regularly updated handbooks of *Commerzbank AG* which were about the capital structure and participating interests of big companies in Germany since 1954 (2000, 83-96).

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Applying three criteria, specifically a nominal capital of at least DM 500,000, a clear identification of a shareholder's location and an unequivocal majority shareholding, to 404 companies located in Berlin (listed in the 1997 handbook), Krätke and Borst found 265 companies suitable for their research. According to them, out of 265 big companies located in Berlin, 147 of them were externally controlled and 32 of these 147 companies were controlled from abroad (Ibid., 90). Based on these findings, Berlin was not regarded as a strategic economic centre that could produce an international economic control. As a result, the erosion in its industrial capacity and relatively weak presence of corporate headquarters appeared as the drawbacks of Berlin in the development of advanced producer services (Krätke 2004, 514). However, their arguments based on these three criteria do not entirely illustrate the economic control capacity of Berlin.

Three further factors should be taken into account to explore the economic control capacity of Berlin. First, it is the German urban system which prevents a single urban centre from having a dominant position in the economic geography of the country.[lxxx] Within this system, Berlin was not able to move its industrial capacities to its hinterland, i.e. Brandenburg, during the process of restructuring. Important urban centers such as Frankfurt, Munich, Stuttgart and Hamburg made use of their hinterlands to a great extent during the 1980s and 1990s. Second, the economic restructuring had taken place in a relatively short period of time. Benefiting largely from the state subsidies with low value added production capacity (West Berlin) and serving as an archetype of the planned economy with outmoded technology and low productivity level (East Berlin), Berlin was not able to relocate itself drastically into the high-tech industrial order after the reunification. In this sense, Berlin was not able to develop a potential to challenge the long established clusters in German economy, e.g. global banking in Frankfurt, media in Hamburg/Cologne, assurances in Munich, car manufacturing in Stuttgart (Eckardt 2005, 192-3). Third, Berlin is the only German city and

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state that used to be a part of two different political systems. Hence, the process of reunification created various confrontations, e.g. having an image of the biggest construction site in "Europe", recreation of the meaning for national capital, rapid gentrification in particular districts, crash of the government owned Bank of Berlin, a large deficit, increasing unemployment and dependency on social security benefits and production of particular mental maps of East and West Berliners for their spaces of work, housing and leisure time. All of these demanding issues, taking place in a particular space simultaneously, did not promote the endeavor of policy makers to develop the economic control capacity of Berlin.

Similar to this economic control capacity in relation to the large-scale enterprises, the division and role of some economic sub-sectors can be helpful to position the businesses in the restructuring of Berlin. Considering the restructuring and interconnection of manufacturing and enterprise-related services, Krätke and Borst also examined Berlin's economy in terms of different sub-sectors (2000, 98-120). These were cultural products sectors, research and development intensive industries, traditional industries, financial sectors, enterprise-related services, building and energy, transport, trade and consumption related services and state sector. According to their analysis, Berlin's specialization profile, i.e. the sub-sector share of total number of employees in one region in relation to its overall share of employment in Germany, emerged in the cultural products, finance, building-energy, transport, state sector, enterprise and consumption related services over the German average. The location pattern of the cultural products sector, finance, business-related services and consumption related services highly concentrated within the inner urban areas, while traditional industries and research and development intensive industries were outside the inner urban areas.

Moreover, Krätke and Borst identified 15 mixed local enterprise clusters that put together three groups in the economic zone of Berlin (Ibid., 121-124). The first group was

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dominated by the companies in the financial sector and enterprise-related services. They were located in the eastern and western city centers and the area between these two centers. The second group was formed by the companies concentrated on industrial activities, particularly traditional industries and research and development intensive industries. Although they were mostly located in the outer urban area, most of them were situated in the traditional industrial sites of Berlin. This indicated a restructuring process not only in the industrial sites with predominately research and development intensive industries but also in the earlier forms of industrial organization. The third group was formed by the companies mostly from the cultural products sector. They were located in the eastern center and inner urban areas, particularly in the district of Kreuzberg. As a result, they highlighted that Berlin remained under pressure as a production space, since different types of specialization operated by small-scale enterprises were competing for space in the inner urban area.

The real estate boom and development of the hinterland were also crucial parts of the restructuring in Berlin during the 1990s. These can be seen in the urban planning frameworks, which followed different paths before the reunification (Loeb 2006). In East Berlin, planning policies were shaped by the institutions of the central state, in which industrial trajectories were the driving force. In West Berlin, planning belonged to the sphere of city government. The GDR maps were built on the absence of West Berlin, whereas the West Berlin maps were developed on the absence of the Wall zone.[lxxxi] After the reunification, Berlin was characterized with plans for the creation and reconstruction of infrastructure, formation of equality and balance between the city halves and integration of the hinterland (Book 1995, 177).

Starting from the early stages of reunification, Berlin experienced an expectation of growth in demand for office and commercial space. This was based on the hope that Berlin would become the service metropolis. Especially with the introduction of a special subsidy

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regulation for real estate investments in the eastern cities, which contained an encouraging tax write-off scheme, large building projects flourished and existing industrial sites were closed down or relocated (Krätke and Borst 2000, 129-56). In this process, industrial sites were sold at a profit or advertised for real estate projects. Although most of the big industries in West Berlin already had delivery partners in the hinterland, after the developments in the real estate market in the 1990s, they relocated themselves more directly in the adjacent hinterland. This was related to the rising land prices.

In addition to the high property rents in the center of the city, high transportation costs, relations between West Berlin and the hinterland, lack of space for expansion especially for large storage, service and production areas and availability of labor were considered as the main reasons for the development of enterprises in the hinterland of Berlin (Ibid., 189-92). Here, the location of industry parks, enterprise areas and shopping centers in the south and southeast parts of the hinterland (between the Berlin boundary and motorway ring) and the call for administrative integration of Berlin and Brandenburg are taken as the examples of this transformation.

In this context, between 1991 and 1998, nearly 7.5 million square meters of office space were built, mostly in the inner urban area, and hence, increased the office rent prices to more than those in Frankfurt, the price leader in the German urban system (Krätke 2004, 523-4). However, more than 1.2 million square meters stayed unoccupied. The city was faced with decreasing tax revenue and growing financial deficits because of the special tax write-off scheme for real estate investments. The establishment of a public financial corporation (*Bankgesellschaft Berlin*) by the former urban government extended the speculation of real estate bonds related to investments in housing and commercial property and increased the total debt of Berlin to € 50 billion (Fischer, Pohl and Semlinger 2001). Consequently, to consolidate the financial crisis, the city government focused on the cuts in social expenditure

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and public services.

The process of restructuring in Berlin had substantial impacts on the "immigrants" as well. In a broader framework, with the fall of the Berlin Wall and dismantling of restrictions on emigration and travel from "Eastern Europe" and the former USSR, Germany experienced a sharp increase in its foreign population after 1989. In the period from 1988 until 1992 almost 1.5 million people "immigrated" to the western part of Germany and they were composed of ethnic Germans in the "Eastern Europe", former East German citizens and asylum seekers (Sassen 1999, 111). Besides the costs of reunification, Germany tried to deal with the long-term effects of these new migration movements during the 1990s. In this sense, a series of migrant worker programs were initiated to prevent the social and economic costs.[lxxxii] Subcontracting agreements between German and foreign firms, various work-study programs, seasonal worker programs and measures for the frontier workers were the most common initiatives in this period. Within this general picture, the immigration from Turkey slowed down in comparison to the previous decades. However, the "immigrants" from Turkey living in Berlin experienced one of the most challenging cases of socio-economic and political restructuring in the German urban system.

The districts of Wedding, Tiergarten, Kreuzberg and Neukölln, populated mostly by "immigrants" from Turkey and once having been located in the eastern city border of West Berlin, after the reunification became central districts (among the others) of the national capital (Ohliger und Raiser 2005, 14). However, acquiring a position at the core of the city was not an easy task for these districts and their inhabitants. This was not an easy task given that Berlin was reconstructing itself as the capital of the reunified German nation state.[lxxxiii]

That is to say, after the fall of the Wall, "immigrants" from Turkey had to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification. Two alternatives

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seem to dominate the ways of thinking about finding a place for the "immigrants" from Turkey. The first one is the "other" that "cannot be tolerated". Forming still the largest group among the foreigners of Berlin, they constitute one of the most referenced groups in terms of unemployment, strong "family and ethnic networks", reliance on cultural and religious norms, dependency on social assistance, low language, education and training performances, violence and crime in various statistics and reports during the 1990s and beginning of the 2000s.[lxxxiv] To put it differently, they still constitute a part of the social concern, fear and risk in Berlin and need to be closely examined, cared for and managed. Although this was already noticeable during the 1970s and 1980s, methods of analyzing the "social problems" and "immigrants" reached to a new phase after the fall of the Wall.

The reports entitled *Sozialstrukturatlas* (Atlas of Social Structure) *Berlin* provide one of the examples of these methods. Analyzing the "social problems" and "immigrants" in detail, these reports were published under the supervision of the *Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz* (Senate Department for Health, Environment and Consumer Protection) in 1990, 1995, 1997, 1999, 2003 and 2008.[lxxxv] During this period, the Senate Department also supported these social space analyses with additional reports on population, unemployment, dependency on social assistance, health, family and youth with the cooperation of other Senate Departments.[lxxxvi]

Although the *Sozialstrukturatlas* in 2003 is the first one that reformulated the social structure of the districts according to the territorial reform in 2001, calculations in all reports are made according to factors including age, gender, family structure, education, training, dependency on social assistance, population movements and dynamics unemployment, wage, poverty, type of illness, life expectancy, mortality rates, drug usage, traffic census, emergency rates, and citizenship (Meinischmidt 2004). Altogether there are 46 factors and they allow the experts to make detailed analysis on the level of the districts and streets. Yet,

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this is not the only function of the *Sozialstrukturatlas*. These reports also form the basis of big projects on urban restructuring, e.g. *Stadtteile mit besonderem Entwicklungsbedarf die soziale* Stadt (Districts With Special Development Needs - The Socially Integrative City) and *Quartiersmanagement* (Neighborhood Management), which will be explored in chapter 6.

Broadly speaking, these reports do not explicitly point out a particular group, class or part of the society as the "social problem". On the contrary, they underline the districts with "social problems" and try to prevent the image that state institutions associate certain populations with "social problems" before having adequate knowledge to be able to do so with guaranteed accuracy. Interestingly, districts like Kreuzberg, Neukölln, Wedding and Tiergarten became the target of these reports after being examined through 46 scientific categories. Depending on this legitimacy, these data regularly create socio-spatial hierarchies, differentiate populations and suggest population specific policies considering the "immigrants".

It is at this junction that one finds the second alternative, which seems to dominate the ways of thinking about finding a place for the "immigrants" from Turkey. This second alternative is the "other" that "can be tolerated", i.e. the "ethnic entrepreneur". According to the estimations in 2001, the number of entrepreneurs "with an immigration background from Turkey" is approximately 6 000.[lxxxvii] Being the largest entrepreneurial group among "immigrants", they are followed by those entrepreneurs "with an immigration background" from Vietnam and Poland (Hillmann and Sommer 2010 and Hillmann 2001). Yet, the value of these "ethnic entrepreneurs" (given by themselves, policy makers and experts) is more than their estimated numbers and the level of value that was shaped under the conditions of the 1980s.[lxxxviii]

In this new period (beginning with the 1990s), "ethnic entrepreneurship", especially considering the "immigrants" from Turkey, is a form "integration" not only to the "host"

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society, but also to the reunified Berlin. Here, Berlin is the capital of reunified Germany and seeks to develop its position in the German urban system (especially in relation to the cities like Münich, Hamburg, Frankfurt/Main, Köln and Stuttgart). This repositioning of Berlin directly brings a relation with the capitalist world order that is reshaped by the impacts of the "crises of Fordism" and "post-Cold War" political struggles. Therefore, "ethnic entrepreneurship" is also about creating jobs, offering training, paying taxes, producing goods and services, making an economic profit and investing more. It is about becoming more responsible to themselves, their families, and "immigrant" groups and hence benefiting from every kind of "potential" they obtain, even at the level of local districts and streets. One of most recent declarations of this set of values is summarized in the title of a conference organized by *Bürgerstiftung Neukölln* (Citizens' Foundation of Neukölln): *Ethnische Ökonomien in Neukölln- Leistungen, Schwierigkeiten, Potenziale* (Ethnic Economies in Neukölln- Services, Problems, Potentials) (2007).

Established in 2005 through the initiatives of people from different political, economic, religious and cultural institutions in Neukölln, *Bürgerstiftung Neukölln* is created by looking at the structure of "community foundations" in the USA and hence it becomes a non-profit, publicly supported, autonomous institution.[lxxxix] All the residents of Neukölln are called to take part in the development of *Bürgerstiftung Neukölln* and hence Neukölln through social activities or financial support. But, a special emphasis is given to the role of entrepreneurs of the district, since they are given the option to become the "partners" of *Bürgerstiftung Neukölln* under the title of "good corporate citizenship".[xc] In this context, "ethnic entrepreneurship" is promoted and turned into a project, i.e. *ethnische ökonomien* (ethnic economies).

To be more specific, the *ethnische ökonomien* project of *Bürgerstiftung Neukölln* is developed in the framework of a bigger program: *Lokales sozial Kapital, LSK Berlin* (local

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social capital) (Senate Department for Integration, Labor and Social Issues 2008). LSK program is run by *Bezirkliche Bündnisse für Wirtschaft und Arbeit- BBWA* (Local Pacts for Economy and Employment), coordinated by *Senatsverwaltung für Integration, Arbeit und Soziales* (Senate Department for Integration, Labor and Social Issues) and supported by the *Senatsverwaltung für Wirtschaft, Techmologie und Frauen* (Senate Department for Economy, Technology and Women Issues), district councils, employment agencies, business associations, enterprises, trade unions, citizens' associations and housing associations. The funding of LSK is covered by the instruments of European Union (e.g. European Social Fund and European Regional Development Fund), Federal State and Senate of Berlin.

Similar to this larger institutional support (at the local, national and regional level), the conference on *Ethnische Ökonomien in Neukölln- Leistungen, Schwierigkeiten, Potenziale* brought together various actors that are actively working on the promotion of "ethnic entrepreneurship" including *Türkisch-Deutschen Zentrum* (Turkish-German Center), *Türkischer Unternehmer und Handwerker e.V.* (Association of Turkish Entrepreneurs and Artisans), *Globe e.V.* (Association of Globe), *Arabischen Kulturinstitut* (Arab Cultural Institute) and *NIKE Polnische Unternehmerinnen e.V.* (Association of NIKE Polish entrepreneurs) (Bürgerstiftung Neukölln 2007, 6).

Therefore, the conference has turned into one of declarations on the promotion of "ethnic entrepreneurship" in Berlin not only to develop the economic capacity of the local districts and to become more competitive in the market, but also maximize the personal capacities of "immigrants". It is a plea for solving the "problems of immigrants" (e.g. highest rates of unemployment, dependence on social assistance and violence, as well as the lowest levels of education and "integration"), benefiting from the potentials of "ethnic entrepreneurs", encouraging the autonomous and calculating "immigrants", who can take care of themselves, their dependants and social milieu.

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3.4 Concluding Remarks

This chapter aimed to illustrate the particular conditions in Berlin that led to the emergence and development of "ethnic entrepreneurship". In this sense, it focused on the historical context of the city, relying on the story of "immigrants" from Turkey. This historical investigation was divided into three periods, firstly from the construction of the Berlin Wall (August 1961) to the ban on recruiting foreign labor force (November 1973), secondly from this ban in 1973 to the fall of the Berlin Wall (November 1989), and lastly, the "post-Wall" period.

In the first period, West Berlin was benefiting from the state subsidies and trying to improve its economy and political position as an island in the GDR with the help of the *Gastarbeiter*, whose presence was considered a *state of exception*. In the second period, the "immigrants" were becoming a permanent part of West Berlin, which was meanwhile trying to cope with the impacts of economic crises and restructuring in the world and West German economy. The population of "immigrants" was increasing (family reunifications and asylum seeking) and diversifying and hence, "immigrants" were becoming a part of the social concern, fear and risk in the city. At the end of this period, Berlin was discussing the "integration of immigrants" and also experiencing the emergence of businesses formed by "immigrants". In the last period, which still continues, Berlin is under the social, economic, cultural and political impacts of reunification and restructuring. On the other hand, it is dealing with the "immigrants" as a part of the social concern, fear and risk and simultaneously promoting the "ethnic entrepreneurship".

This periodization explored the impacts of these ruptures on Berlin and "immigrants" from Turkey. By looking at these historical features, however, I did not intend to outline a homogenous and constant image for Berlin and its "immigrants" from Turkey. Similarly, I did not attempt to present absolute forms of transformation. Rather, I tried to develop a

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relational understanding both for Berlin and its "immigrants" from Turkey.

Until now, I focused on the "crises of Fordism" (in the previous chapter) and the ruptures of Berlin (in this chapter) to interpret the historical features of "ethnic entrepreneurship", considering the "immigrants" from Turkey. However, the findings of these chapters reveal additional questions: How does the idea of "ethnic entrepreneurship" emerge? Are the "immigrants" from Turkey taken as the archetype of this category? If not, who are the other population groups that constitute the examples of "ethnic entrepreneurship" for Germany and Berlin? What are the intellectual conceptualizations of this category? These questions, keeping in mind the findings of the "crises of Fordism" and the ruptures of Berlin, will be the focus of my next chapter and hence the last part of my historical approach.

Endnotes:

[xliii] The other 15 states in Germany are Baden-Württemberg, Bavern, Brandenburg, Bremen, Hamburg, Hessen, Mecklenburg-Vorpommern, Niedersachsen, Nordrhein-Westfalen, Rheinland-Pfalz, Saarland, Sachsen, Sachsen-Anhalt, Schleswig-Holstein and Thüringen.

[xliv] Although it is surrounded by the state of Brandenburg, Berlin does not belong to this region and constitutes a state in itself.

[xlv] Hamburg (total population: 1.77 million people; those "with immigration background": approximately 466 000 people and out of those approximately 214 000 are "Germans" and approximately 252 000 are "foreigners" in terms of citizenship), München (total population: 1.314 million people; those "with immigration background": approximately 461 000 people and out of those approximately 145 000 are "Germans" and approximately 316 000 are "foreigners" in terms of citizenship), Augsburg (total population: 263 thousand people; those "with immigration background": approximately 103 000 people and out of those approximately 56 000 are "Germans" and approximately 47 000 are "foreigners" in terms of citizenship), Dortmund (total population: 586 thousand people; those "with immigration background": approximately 166 000 people and out of those approximately 76 000 are "Germans" and approximately 90 000 are "foreigners" in terms of citizenship), Duisburg (total population: 496 thousand people; those "with immigration background": approximately 148 000 people and out of those approximately 71 000 are "Germans" and approximately 77 000 are "foreigners" in terms of citizenship), Düsseldorf (total population: 581 thousand people; those "with immigration background": approximately 189 000 people and out of those approximately 82 000 are "Germans" and approximately 107 000 are "foreigners" in terms of citizenship), Essen (total population: 581 thousand people; those "with immigration background": approximately 123 000 people and out of those approximately 64 000 are "Germans" and approximately 59 000 are "foreigners" in terms of citizenship), Frankfurt am Main (total population: 661 thousand people; those "with immigration background": approximately 278 000 people and out of those approximately 112 000 are "Germans" and approximately 166 000 are "foreigners" in terms of citizenship), Hannover (total population: 518 thousand people; those "with immigration background": approximately 149 000 people and out of those approximately 64 000 are "Germans" and approximately 85 000 are "foreigners" in terms of citizenship), Köln (total population: 995 thousand people; those "with immigration background": approximately 317 000 people and out of those approximately 140 000 are "Germans" and approximately 178 000 are "foreigners" in terms of citizenship), Nürnberg (total population: 503 thousand people; those "with immigration background": approximately 189 000 people and out of those approximately 88 000 are "Germans" and approximately 101 000 are "foreigners" in terms of citizenship) and Stuttgart (total population: 598 thousand people; those "with immigration background": approximately 224 000 people and out of those approximately 87 000 are "Germans" and approximately 138 000 are "foreigners" in terms of citizenship).

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[xlvi] The eastern and western parts of Berlin experienced several immigration movements from different countries during the Cold War. Considering the immigration patterns between Turkey and the FRG following the bilateral agreements, the chapter will only look at the particular conditions of West Berlin until the fall of the Wall. Since the focus will be on the "immigrants" from Turkey, "immigrants" in East Berlin will not be in the scope of this chapter, just like other "immigrant" groups in West Berlin.

[xlvii] For this symbolic value see Philip L. Martin, "Germany: Reluctant land of Immigration" in *Controlling Immigration: A Global Perspective*, edited by Wayne A. Cornelius, Philip L. Martin, James F. Hollifield, (Stanford: Stanford University Press, 1994), 51-85; Ulrich Herbert and Karin Hunn, "Guest Workers and Policy on Guest Workers in the Federal Republic: From the Beginning of Recruitment in 1955 until its Halt in 1973," in *The Miracle Years: A Cultural History of West Germany, 1949-1968*, edited by Hanna Schissler, (Princeton: Princeton University Press, 2000), 187-218; and Anne von Oswald, Karen Schoenwaelder and Barbara Sonnenberger, "Einwanderungsland Deutschland: A New Look at its Post-war History," in *European encounters: migrants, migration, and European societies since 1945*, edited by Karen Schönwälder, Rainer Ohliger, Triadafilos Triadafilopoulos, (Aldershot: Ashgate, 2003), 19-37.

Although there is no direct relation between the construction of the Berlin Wall and the signing of the recruitment treaty between Germany and Turkey, one has to keep in mind the historical happenings in order to interpret the value of "immigrants" from Turkey in comparison to other "immigrant" groups. In 1957 the Treaty of Rome established the European Economic Community (EEC). The treaty guaranteed the citizens of member states the right to work in any EEC country after 1968. This right was regulated by the freedom of movement within the EEC and allowed the workers to remain up to three months in search for a job. The host country was also obliged to provide the necessary work and residence permits to the "immigrants". These regulations are crucial when we consider the labor recruitment contracts of Germany with Italy, Greece, Spain and Portugal during the 1950s and 1960s. Italy was a constitutive member of the Treaty of Rome. This meant that "immigrants" from Italy would have freedom of movement after 1968 and this freedom might be a risk for the fragile economic recovery. Greece became a member of European Community in 1981, whereas Spain and Portugal had to wait until 1986. Citizens of Greece got full freedom of movement rights in 1988, while citizens of Spain and Portugal achieved mobility rights in 1992 and freedom of movement rights in 1993. Additionally, the Wall closed the door from East to West Germany in a period when German labor force was shrinking and in the early 1960s there was no serious discussion to search for the alternatives to the importation of foreign workers. See, Mark J. Miller and Philip L. Martin, *Administering Foreign-Worker Programs: Lessons from Europe*, (Lexington, Mass.: Lexington Books, 1982).

[xlviii] For a descriptive analysis of *Aussiedler, Vertriebene* and *Übersiedler*, see Klaus J. Bade ed. *Neue Heimat im Westen: Vertriebene - Flüchtlinge - Aussiedler*, (Münster: Westfaelischer Heitmatbund, 1990) and Rainer Münz, Wolfgang Seifert and Ralf Ulrich, *Zuwanderung nach Deutschland, Strukturen, Wirkungen, Perspektiven*, (Frankfurt/Main: Campus, 1999).

[xlix] For a detailed discussion on the rotation principle see, Cord Pagenstecher, "Die ungewollte Einwanderung. Rotationsprinzip und Rückkehrerwartung in der deutschen Ausländerpolitik", *Geschichte in Wissenschaft und Unterricht*, 46 (12), (1995): 718-737.

[l] For a detailed description of the 1950s Berlin in terms of the urban restructuring and the appearance of prosperity through the support packages of the FRG and the USA, see Alexandra Richie, *Faust's Metropolis, A History of Berlin*, (New York: Carroll and Graf, 1998), pp. 674-710.

[li] See Sigfrid von Weher and Herbert Goetzeler, *The Siemens Company, Its Historical Role in the Progress of Electrical Engineering 1847-1980*, (John Wiley and Sons, 1984), Wilfried Feldenkirchen, *Werner von Siemens. Erfinder und internationaler Unternehmer*. (Berlin: Siemens Aktiengesellschaft 1992), Peter Strunk, *Die AEG. Aufstieg und Niedergang einer Industrielegende*, (Berlin: Nicolai, 2000), Harri Czepuck: *Ein Symbol zerbricht, zur Geschichte und Politik der AEG*, (Berlin: Dietz Verlag, 1983).

[lii] For a German explanation of this act see, *Bundesverfassungsgericht*, 30, 392, *Berlinhilfegesetz*, available at http://www.servat.unibe.ch/dfr/bv030392.html (last visited 27.02.2011). Also see, http://www.gesetze-im-internet.de/bundesrecht/berlinfg/gesamt.pdf (last visited 27.02.2011).

[liii] As Meyda Yeğenoğlu reminds us in reference to Jacques Derrida's formulation, this is the *law of hospitality*. M. Yeğenoğlu, "Liberal Multiculturalism and the Ethics of Hospitality in the Age of Globalization," *Postmodern Culture*, Volume 13, Number 2, (2003), 1-22.

In questioning Immanuel Kant's writings on the universal hospitality, law, citizenship and the relation between the state and its subjects, Derrida underlines the importance of conditional hospitality. Hospitality, being a question of rights, justice and obligation in the Kantian formulation, can be regulated by law. In the case of the *Gastarbeiter*, this was issued with the rights of temporary stay, which depended on work permits. According to Derrida, the host, who welcomes the guest through the laws, is the master of the home and hence unconditional hospitality is not possible. Formulation of hospitality with the limits of law stresses merely the

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authority of the host in that place. See, J. Derrida, *Of Hospitality: Anne Dufourmantelle invites Jacques Derrida to Respond*, (Stanford: Stanford University Press, 2000), 75-155.

[liv] As an illustrative example of these urban plans, see, Bezirksamt Kreuzberg, *Die Stadtplanung im Bezirk Kreuzberg*, (Berlin: Bezirksamt Kreuzberg, 1956). For an ethnographic study of the district, which does not concentrate on the life of "immigrants" in the 1960s, see Barbara Lang, *Mythos Kreuzberg: Ethnographie eines Stadtteils (1961-1995)*, (Berlin: Humboldt Univ. Diss., 1996).

[lv] Another district adjacent to the Wall (within the borders of the inner city)was Reinickendorf, which was located in the north part of West Berlin.

[lvi] For a very detailed illustration of districts in terms of "immigrant" groups see Amt für Statistik Berlin-Brandenburg, *Statistischer Bericht*, (Potsdam, 2010). At this point, one has to notice that "immigrants" from Turkey became the largest group among foreigners in the late 1960s and beginning of the 1970s. For comparative short histories of the "immigrants" from Italy, Greece, Poland and Vietnam see Mario Tamponi, *Italien in Berlin*, (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, 2000), Andrzej Stach, *Das Polnische Berlin/Polski Berlin*, (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, 2002), H. Wilderotter et al., *Spree-Athen, Griechen leben in Berlin*, (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, 1997), Thuy Nonnemann et al., *Vietnamesen in Berlin*, (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, 1997).

[lvii] To put it simply, Berlin was a poor and agricultural region without a free pre-industrial infrastructure that was inhabited by a large class of propertyless labor. The lack of infrastructure paved the way to incorporate most of the levels of production under the control of the large scaled firms. Inevitably, this policy required for high capital requirements and hence directed firms to establish close relations with universal banks. Additionally, the late industrialization in this region led many firms to adapt technologies and organizational forms from other industrialized countries in "Europe".

[lviii] For a comparative perspective see Otto Iblher, *Hauptstadt oder Haupstaedte? Die Machtverteilung zwischen den Grossstaedten der BRD*, (Opladen: Leske, 1970) and Herrigel, *Industrial Constructions*, (Cambridge: Cambridge University Press, 1996), 143-286.

[lix] For a detailed discussion see B. Ladd, *The Ghosts of Berlin: Confronting German History in the Urban Landscape*, (London: Univeristy of Chicago Press, 1998), T.H. Elkins and B. Hofmeister, *Berlin: The Spatial Structure of a Divided City*, (Cambridge: University Press, 1988), H. Bodenschatz, *Platz frei für das neue Berlin! Geschichte der Stadterneuerung in der "grössten Mietskasernenstadt der Welt" seit 1871*, (Berlin: Transit Buchverlag, 1987), A. Balfour, *Berlin: The Politics of Order, 1737-1989*, (New York: Rizzoli, 1990); ed. T.Scheer, J.P.Kleihues and P.Kahlfeldt (eds.), *Stadt der Architektur, Architektur der Stadt, Berlin 1900-2000*, (Berlin: Nicolaische Verlagsbuchhandlung Beuermann, 2000); Campbell, (1990); W.Sonne, "Specific Intentions – General Realities: On the Relation Between Urban Forms and Political Aspirations in Berlin during the Twentieth Century," *Planning Perspectives*, 19, (2004), 283-310, T.Book, "The Urban Field of Berlin: Expansion- Isolation- Reconstruction," *Geografiska Annaler, Series B, Human Geography*, Vol 77, No 3, (1995), 177-196.

[lx] For some detailed remarks on the particular conditions of Berlin during the Cold War, see Campbell (1990), especially chapter 5 on the destruction of the Second World War on city's dynamic economic momentum, chapter 6 on the distortion of its economic structure and delay of modern restructuring due to industrial subsidy programs and chapter 7 on the loss of its role as German Nation's capital city.

[lxi] For demographic analyses see Nadja Milewski, *Fertility of Immigrants: A Two-Generational Approach in Germany*, (Berlin: Springer Verlag, 2010); T.T. Kane, "The fertility and assimilation of guestworker populations in the Federal Republic of Germany: 1961–1981", *Zeitschrift für Bevölkerungswissenschaft* 12(1), (1986), 99–131; R. Münz and R. Ulrich, "Die ethnische und demographische Struktur von Ausländern und Zuwanderern in Deutschland", in *Deutsche und Ausländer: Freunde, Fremde oder Feinde?Empirische Befunde und theoretische Erklärungen*, (eds.) R. Alba, P. Schmidt und M. Wasmer (Wiesbaden: Westdeutscher Verlag, 2000), 11–54, B. Nauck, "Individuelle und kontextuelle Faktoren der Kinderzahl in türkischen Migrantenfamilien", *Zeitschrift für Bevölkerungswissenschaft*, 13(3), (1987), 319–344.

[lxii] See, Industrie und Handelskammer zu Berlin, *Gesetz zur Förderung der Berliner Wirtschaft*, (Berlin: IHK Berlin, 1985).

[lxiii] See Senator für Finanzen, *Investitionsplanung von Berlin*, (Berlin: Senator für Finanzen, 1972 and 1980).

[lxiv] For descriptive analyses see Berthold Fege, *Die Hauptstadt Berlin und ihre Wirtschaft*, (Berlin: Verlag Die Writschaft, 1987) and K. Heil, "Standortverhalten zentraler Funktionen und Stadtentwicklung Berlin nach 1945: Umrisse eines Forschungsprojektes," in *Stadtentwicklung Berlin nach 1945*, (eds.) Wolfgang Schwaeche und Wolfgang Streich, (Berlin: Institut für Stadt- und Regionalplanung der Technischen Universität Berlin,1985).

[lxv] See E. Giese, "Raeumliche Diffusion auslaendischer Arbeitnehmer in der Bundesrepublik Deutschland 1960-76," *Die Erde*, 102, (1978): 92-110, Kurt Geppert und Peter Ring, "Zur Arbeitsplatzstruktur der Berliner Wirtschaft: Ein interregionaler Vergleich," *Wochenbericht 40/83*, (Berlin: Deutsches Institut für

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Wirtschaftsforschung, 1983), Deutsches Institut für Wirtschaftsforschung, "Qualifikationsstruktur des Arbeitskraefte- potentials und Qualifikationsbedarf in Berlin (West)," (Berlin: DIW im Auftrag des Senators für Wirtschaft und Arbeit, 1987), Elisabeth Pfeil, *Stadtsanierung und die Zukunft der Stadt; in: Sanierung - für wen? Eine Textsammlung*, (Berlin-Kreuzberg: Büro für Stadtsanierung und soziale Arbeit, 1971), Heide Becker und Jochen Schulz zur Wiesch (eds.) Sanierungsfolgen. Eine Wirkungsanalyse von Sanierungsmaßnahmen in Berlin; (Mainz: Schriften des Deutschen Institut für Urbanistik, 1982), Jürgen Hoffmeyer-Zlotnik, *Gastarbeiter im Sanierungsgebiet, Das Beispiel Berlin-Kreuzberg*, (Hamburg: 1977), Cornelia Tuchscherer, *Die Wohnsituation auslaendischer Haushalte in Berlin (West) am 25.Mai 1987*, in (Berlin: Berliner Statistik, 1993), Auslaenderbeauftragte von Berlin, *Bericht über die raeumliche Situation der islamischen Gemeinden in Berlin* (Berlin: 1987), Stefan Feuerstein, Dieter Isensee und Thomas Ranneberg, "Industrieller Wandel und Qualitaet von Arbeitplaetzen- Neue Wege der empirischen Analyse von Berlin (West), *FSA*, 7, 1983.

[lxvi] For a descriptive analysis see, Deutscher Gewerkschaftsbund (DGB) Landesbezirk Berlin, *Leben und Arbeiten in Berlin: DGB Regionalanalyse Berlin*, (Berlin, Verlag für Ausbildung und Studium in der Elefanten Press, 1984).

[lxvii] For current discussions on education system and "immigrants" see, G.Auernheimer, "The German Education System Dysfunctional for an Immigration Society," *European Education*, vol. 37, no. 4, (2005): 75–89, J.C.Witte and A.L.Kalleberg, "Matching Training and Jobs: The Fit between Vocational Education and Employment in the German Labour Market," *European Sociological Review*, Vol. 11, No. 3., (1995): 293-317, N.Noreham, "Orienting the work-based curriculum towards work process knowledge: a rationale and a German case study," *Studies in Continuing Education*, Vol. 26, No. 2, 2004, M.A.Stevenson, "Flexible education and the discipline of the market," *Qualitative Studies in Education*, VOL. 12, NO. 3, 1999, C. Meyer, "Transfer of Concepts and Practices of Vocational Education and Training from the Center to the Peripheries: the case of Germany," *Journal of Education and Work*, Vol. 14, No. 2, 2001, K.Winter, "School Autonomy and the Role of the State: some reflections on the current school educational system in Germany," *European Journal of Teacher Education*, Vol. 23, No. 1, 2000.

[lxviii] For a detailed discussion see, T. Faist, *Social citizenship for whom?: Young Turks in Germany and Mexican Americans in the United States*, (Aldershot: Avebury, 1995).

[lxix] Especially see, Holger Bonin, Bernd Raffelhueschen and Jan Walliser, "Can Immigration Alleviate the Demographic Burden?" *FinanzArchiv*, 57, 1, (2000): 1-21, Alan Auerbach, Laurence Kotlikoff, Robert Hagemann and Giuseppe Nicoletti, "The Dynamics of an Aging Population: The Case of Four OECD Countries," *NBER Working Paper*, 2797, 1989, Hans Fehr, Sabine Jolisch and Laurance Kotlikoff, "The Role of Immigration in Dealing with the Developed World's Demographic Transition," *NBER Working Paper*, 10512, 2004, Kjetil Storesletten, "Sustaining Fiscal Policy through Immigration," *The Journal of Political Economy*, 108, 2, (2000): 300-323, S.N. Akin, *Population Aging, Immigration Policies and Social Security System in Germany*, Ph.D. Dissertation, 2006, UMI Number 3230142.

[lxx] See Horst Dichanz and john A. Zahorik, *Changing Traditions in Germany's Public Schools*, (Bloomington, Phi Delta Kappa, 1998), Raymond Meyer and Adriane Heinrichs-Goodwin, trans. *Between Elite and Mass Education: Education in the Federal Republic of Germany*, (Albany, NY: State University of New York Press, 1983), R. H. Lehmann, "Germany: System of Education," in *The International Encyclopedia of Education*, (eds.) Torsten Husen and T. Neville Postlethwaite, (Oxford: Elsevier Science Ltd, 1994).

[lxxi] For a detailed discussion see, Bund-Laender-Kommission für Bildungsplanung und Forschungsförderung, *Förderung von Kindern und Jugendlichen mit Migrationshintergrund*, Heft 107, (Bonn: Bundesministerium für Bildung und Forschung, 2003), Marianne KrügerPotratz, "Die Auslaenderpaedagogik versichert sich ihrer Geschicte: Plaedoyer für eine historische Minderheitenbildungsforschung, *Unterrichtswissen*, Nr.3, 17, (1989): 223-242, Institut für Migrationsforschung und Interkulturelle Studien, *Migration-Integration-Bildung: Grundfragen und Problembereiche*, (Osnabrück: IMIS, 2004), Cem Özdemir, *Integration Stiften! Was leisten Stiftungen in Deutschland, um Kinder und Jugendliche mit Migrationshintergrund in das Bildungssystem zu integrieren?* (Humboldt-Viadrina School of Governnance, 2004).

[lxxii] Deutsches Jugendinstitut e.V. *Jugend und Migration*, (München: Grafik + Druck GmbH, 2006), Ludger Pries, "Transmigranten als ein Typ von Arbeitswanderern in pluri-lokalen sozialen Räumen," in *Migration, gesellschaftliche Differenzierung und Bildung*, Ingrid Gogolin and Bernhard Nauck (eds.), (Opladen: Leske + Budrich, 2000), 415 – 437.

[lxxiii] See Ingrid Gogolin, "Bildung und ausländische Familien", in *Familien ausländischer Herkunft in Deutschland: Lebensalltag*, (ed.) Sachverständigenkommission 6. Familienbericht, , (Opladen: Leske + Budrich, 2000), 61 – 106, Ingrid Gogolin and Ursula Neumann, "Spracherwerb und Sprachentwicklung in einer zweisprachigen Lebenssituation bei monolingualer Grundorientierung der Gesellschaft" in *Erziehung – Sprache – Migration. Gutachten zur Situation türkischer Familien*, (Berlin: Arbeitskreis Neue Erziehung, 1998), F.O. Radtke, "Demokratische Diskriminierung. Exklusion als Bedürfnis oder nach Bedarf" *Mittelweg*, 36, 4. (1995): 32-48, M.Gomolla and F.O. Radtke, F.-O. "Mechanismen institutioneller Diskriminierung in der Schule," in

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Migration, gesellschaftliche Differenzierung und Bildung, (eds.) I. Gogolin and B. Nauck, (Opladen: Leske + Budrich, 2000), 321-341, W.R. Leenen, H. Grosch and U. Kreidt, Ulrich, "Bildungsverständnis, Plazierungsverhalten und Generationenkonflikt in türkischen Migrantenfamilien", *Zeitschrift für Pädagogik*, 36. Nr.5, (1990): 753-771. Forum Bildung, *Bildung und Qualifizierung von Migrantinnen und Migranten*, (Berlin: Forum Bildung, 2001).

[lxxiv] A. Goldberg and F. Sen, "Türkische Unternehmer in Deutschland. Wirtschaftliche Aktivitäten einer Einwanderungsgesellschaft in einem komplexen Wirtschaftssystem," in *Zuwanderung und Stadtentwicklung*, (eds.) H. Häussermann and I. Oswald, (Leviathan: Sonderheft Nr. 17. 1997), F. Hillmann und H. Rudolph "Döner contra Boulette. Döner und Boulette. Berliner türkischer Herkunft als Arbeitskräfte und Unternehmer im Nahrungsgütersektor," in *Zuwanderung und Stadtentwicklung*, (eds.) H. Häussermann and I. Oswald, (Leviathan: Sonderheft Nr. 17. 1997): 85–105. J. Blaschke, "Ausgrenzung und Integration in der ethnischen Ökonomie Berlins," in *Ethnische Unternehmen in Europa – ein Konferenzbericht* , (Berlin: Verein für Gegenseitigkeit e.V. im Europäischen Migrationszentrum, 2001), K. Ertekin, "Die türkische Ökonomie und die gesellschaftliche Integration der türkischen Migranten," in *Ethnische Unternehmen in Europa – ein Konferenzbericht* , (Berlin: Verein für Gegenseitigkeit e.V. im Europäischen Migrationszentrum, 2001), A. Genc, "Die Rolle der türkischstämmigen Ökonomie in Berlin," in *Ethnische Unternehmen in Europa – ein Konferenzbericht* , (Berlin: Verein für Gegenseitigkeit e.V. im Europäischen Migrationszentrum, 2001).

[lxxv] Although the report is published in 2010, it is one of the most detailed documentations about the foreigners. It uses different historical and regional analyses and hence acknowledges the "social problems" related to different "immigrant" groups.

[lxxvi] For recent documents see, Arbeitskreis Migration und öffentliche Gesundheit, *Migrationssensible Datenerhebung für die Gesundheits- und Pflegeberichterstattung*, (Berlin, der Beauftragten der Bundesregierung für Migration, Flüchtlinge und Integration, 2010), Die Beauftragte der Bundesregierung für Migration, Flüchtlinge und Integration, *Integration in Deutschland*, (Berlin: Institut für Sozialforschung und Gesellschaftspolitik und Wissenschaftszentrum Berlin für Sozialforschung GmbH, 2009), Die Bundesregierung, *Nationaler Integrationsplan*, (Berlin: Presse- und Informationsamt der Bundesegierung, 2008).

[lxxvii] See B.Gressillon, "Berlin, Cultural Metropolis: Changes in the Cultural Geography of Berlin since Reunification." *Ecumene*, 6 (3), 1999; E.J.Gittus, "Berlin as a Conduit for the Creation of German National Identity at the End of the Twentieth Century" *Space & Polity*, Vol. 6, No. 1, (2002): 91–115; J.Allen, "Ambient Power: Berlin's Potsdamer Platz and the Seductive Logic of Public Spaces," *Urban Studies*, Vol. 43, No. 2, (2006): 441–455; W.J.V. Neill, "Berlin Babylon: The Spatiality of Memory and Identity in Recent Planning for the German Capital," *Planning Theory & Practice*, Vol. 6, No. 3, (2005): 335-353; W.Sonne, "Specific intentions-general realities: on the relation between urban forms and political aspirations in Berlin during the twentieth century," *Planning Perspectives*, 19, (2004): 283-310; J.Grech, "Empty Space and the City: The Reoccupation of Berlin," *Radical History Review*, Issue 83, (2002): 115–42; B.Ladd, "Center and Periphery in the New Berlin: Architecture, Public Art, and the Search for Identity, *PAJ: A Journal of Performance and Art*, Vol. 22, No. 2, (2000): 7-21.

[lxxviii] Between 1991-1995 and 1995-1999 periods CDU-SPD coalition governments in Berlin were facing with these fiscal burdens. However, from 1999 to 2001 Berlin changed two coalition governments, i.e. on the 14th election period initially CDU-SPD (1999-June 2001) and then SPD-Bündnis 90/Grüne (June 2001-November 2001) governments. Since 2001 SPD-Linkspartei PDS has being the ruling coalition under the leadership of mayor Klaus Wowereit in Berlin.

[lxxix] For a detailed analysis in comparing the German cities see, Statistische Aemter der Laender, *Von Bevölkerung bis Wahlen- 20 Jahre Deutsche Einheit in der Statistik*, (Bad Ems: Landesamt für Vermessung und Geobasisinformation Rheinland-Pfalz, 2010). Here, one can see that some big cities seem to dominate the German urban system: Berlin (shortcomings in finance, insurance, legal services, wholesale trade, but also dominanting demographic figures in terms of large number of people receiving social assistance from the state, high unemployment rates and large number of "immigrants"), Hamburg (wholesale trade), Münich (technical services, art and media), Frankfurt (finance), Köln (art and media) and some other cities of Rhine-Main region like Düsseldorf, Dortmund, Essen and Duisburg (in wholesale trade, insurance and legal services), and Stuttgard, state of Baden-Württemberg (automobile). Although the cities of West Germany (except for west Berlin and after 1990 Berlin) have a balanced composition in terms of employment, population development and dependants on social assistance, the former East Germany cities (including Dresden and Leipzig) have the same structural deficiencies like Berlin.

[lxxx] Broadly speaking, it is argued that in Germany there are several regional metropolises and they are specialized in certain areas, but no one can totally dominate the German urban system. The reasons for the emergence of this urban system include but are not limited to the town establishments from the 11th to the 13th century, historically based territorial organizations and strong regional identities, late coming national unification, industrialization since the mid-19th century and related changes in the urban population and

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economic growth, impacts of World War II and post-war political division, and processes of interregional de-concentration and reurbanization. For the discussion on the German urban system see, D. Bartels, "Theorien nationaler Siedlungssysteme und Raumordnungspolitik" *Geographische Zeitschrift*, 67, Heft 2, (1979): 110-46; H.H. Blotevogel and M. Hommel, "Struktur und Entwicklung des Städtesystems," *Geographische Rundschau*, 32, Heft 4. (1980): 154-65; K. Brake, "Zentrale und dezentrale Tendenzen im deutschen Städtesystem." *Geographische Rundschau*, 45, Heft 4. (1993): 122-129, J. Reulecke, *Geschichte der Urbanisierung in Deutschland*, (Frankfurt/Main: Suhrkamp, 1985), C. Zimmermann, *Die Zeit der Metropolen. Urbanisierung und Großstadtentwicklung*. (Franfurt/Main: 1996), H.J. Teuteberg (ed.) *Stadtwachstum, Industrialisierung, Sozialer Wandel. Beiträge zur Erforschung der Urbanisierung im 19. und 20. Jahrhundert*, (Berlin: 1986), H. Bodenschatz, *Tendenzen der Stadterneuerung : Entwicklungen in Berlin. Erfahrungen europäischer Großstädte - Empfehlungen für Berlin*, (Berlin: der Senatsverwaltung für Bau- und Wohnungswesen Städtebau und Architektur, 31, 1994), S. Krätke, Strukturwandel der Städte. Städtesystem und Grundstücksmarkt in der "post-fordistischen" Ära (Frankfurt: Campus,1991), U. Hohn and A. Hohn, "Urban Renewal in Eastern and Western Germany - A Comparative Survey," in Japan and Central Europe - Restructuring . Geographical Aspects of Socio-economic, Urban and Regional Development, W. Flüchter (ed.) (Wiesbaden: Harrasowitz 1995), 140-159, J. Fredrich, H.Haeussermann and W. Siebel (eds.) *Süd-Nord-Gefaelle in der Bundesrepublik?* (Opladen: Westdeutscher Verlag, 1987), P. Gans, "Urban population change in large cities in Germany, 1980-94," *Urban Studies*, 37, (2000): 1497-1512, Bundesamt für Bauwesen und Raumordnung, "Aktuelle Daten zur Entwicklung der Staedte, Kreise und Gemeinden," *Berichte des BBR*, (Bonn: Selbstverlag, 1999), H. Heineberg, "Germany after unification: Urban settlement system in the 1990s," in A. Mayr and W. Taubmann (eds.) *Germany ten years after reunification*, (Leipzig: Verlag Institut für Laenderkunde e.V., 2000), 24-39.

[lxxxi] For some descriptive examples see K. Heil (eds.) *Einblicke, Rückblicke, Ausblicke - Das System der Stadt-, Regional- und Landesplanung in der DDR und Ansätze zur Transformation*, (Berlin: ISR-Diskussionsbeiträge 38, 1990), M. Kühn (ed.) *Planungskultur und Nachhaltigkeit : neue Steuerungs- und Planungsmodelle für eine nachhaltige Stadt- und Regionalentwicklung*, (Berlin: Akademische Abhandlungen zur Raum- und Umweltforschung, 1998), H. Haeussermann and R. Neef (eds.), *Stadtentwicklung in Ostdeutschland. Soziale und räumliche Tendenzen*, (Opladen: Leske und Budrich, 1996).

[lxxxii] For details of these programs see Senatsverwaltung für Wirtschaft, Technologie und Frauen, *Vierte Fortschreibung des Arbeitsmarkt- und Berufsbildungspolitischen Rahmenprogramms (ARP)*, (Berlin: Senatsverwaltung für Wirtschaft, Technologie und Frauen, 2002) and Berliner Beitraege zur Integration und Migration, *Vielfalt fördern- Zusammenhalt staerken*, (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, Oktoberdruck, 2005).

[lxxxiii] For discussions on the construction of identity in Berlin after the fall of the Wall see, A.Cochrane and A.Passmore, (2001) "Building a National Capital in an Age of Globalization: The Case of Berlin," *Area*, 33.4, 345-352; P.MArcuse (1999) "Reflections on Berlin: The Meaning of Construction and the Construction of Meaning," *International Journal of Urban and Regional Research*, 22, 331-338; H.Häussermann, (1999), "Economic and Political Power in the New Berlin: A Response to Peter Marcuse," *International Journal of Urban and Regional Research*, 23, 180-184; S.Campbell, (1999) Capital Reconstruction and Capital Accumulation in Berlin: A Reply to Peter Marcuse," *International Journal of Urban and Regional Research*, 23, 173-179; Eckardt (2005); C.A.Costabile-Heming, (2005) "Tracing History Through Berlin's Topography: Historical Memories and Post-1989 Berlin Narratives," *German Life and Letters*, 58:3, 344-356; M. de Leeuw, (1999) "Berlin 2000: Fragments of Totality-Total Fragmentation," *Parallax*, vol.5, no.3, 58-68; A.Huyssen, (1997) "The Voids of Berlin," *Critical Inquiry*, vol.24, no.1, 57-81; L.Koepnick, (2001) "Forget Berlin," *The German Quaterly*, vol.74, no.4, 343-354; D.Richter, (1996) "Spazieren in Berlin," *Assemblage*, no.29, 72-85; K.Hamm-Ehsani, (2004) "Screening Modern Berlin: Lola Runs to the Beat of a New Urban Symphony," *Seminar*, 40:1, 50-65; F.Urban, (2003) "Picture Postcards of Urbanity: Reflections on Berlin's Inner City and the 1999 Master Plan," *Journal of Architectural Education*, 68-73.

In the reconstruction of its identity, Berlin went through different phases of its history and memories. While some of the buildings like Nazi Air Ministry and Central Bank were once again put in use, some others from the GDR maintained their role as local government offices. The modernization and construction of the *Reichstag*, *Potsdamer Platz* (with shopping malls and headquarters of companies like Sony and Daimler-Benz), *Regierungsviertel* (quarter of governing with a new set of state buildings), *Berlin Hauptbahnhof* (main railway station) and reemergence of luxury shopping in *Friedrichstrasse* were presented as the new, modern, "European", democratic, competitive and technologically advanced pictures of Berlin.

The redesign of some memorials was also used to reconstruct the identity of the national capital. The *Neue Wache* serves as the most popular example. Being the guardhouse of the royal palace in the 19th century, it was turned into a memorial first for Germany's dead after the First World War, then for Germany's military heroes during the Nazi time, then for victims of fascism in the GDR and lastly for victims of the two World Wars and

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dictatorships in the new Republic. See, K.Till, (1999), "Staging the Past: Landscape Designs, Cultural Identity and *Erinnerungspolitik* at Berlin's *Neue Wache*," *Ecumene*, 6, 251-283.

Additionally, the project *Airport Berlin Brandenburg International* at the southeast part of the city has become the new face of the national capital. See, Senatsverwaltung für Wirtschaft, Technologie und Frauen, *Flughafen Berlin Brandenburg International (BBI) Wachstumschance für die Region*, (Berlin: Senatsverwaltung für Wirtschaft, Technologie und Frauen, 2005c)

[lxxxiv] For the most recent reports and statistics see, Amt für Statistik Berlin-Brandenburg, *Statistisches Jahrbuch 2010*, (Berlin: Kulturbuch Verlag, 2010), Beauftragte für Integration und Migration, *Indikatoren zur Messung von Integrationserfolgen*, (Berlin: Senatsvewaltung für Integration, Arbeit und Soziales, 2007), Sanem Kleff and Eberhard Seidel, *Stadt der Vielfalt* (Berlin: Der Beauftragte des Berliner Senats für Integration und Migration, MercedesDruck, 2008).

[lxxxv] G.Meinlschmidt, U. Imme and R. Kramer, *Sozialstrukturatlas Berlin (West)*, (Berlin: Senatsverwaltung für Gesundheit und Soziales, 1990), Sabine Hermann and Gerhard Meinlschmidt, *Sozialstrukturatlas Berlin*, (Berlin: Senatsverwaltung für Gesundheit und Soziales, 1995), Sabine Hermann and Gerhard Meinlschmidt, *Sozialstrukturatlas Berlin 1997*, (Berlin: Senatsverwaltung für Gesundheit und Soziales, 1997), G. Meinlschmidt und M.H.Brenner, *Sozialstrukturatlas Berlin 1999*, (Berlin: Senatsverwaltung für Gesundheit und Soziales, 1999), G. Meinlschmidt, *Sozialstrukturatlas Berlin 2003*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2004) and G. Meinlschmidt, *Sozialstrukturatlas Berlin 2008*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2009). For the initial version of *Sozialstrukturatlas*, see H.Stahl, *Beschreibung der Sozialstruktur in Berlin (West) mit Hilfe der Faktoranalyse*, (Berlin: Berliner Statistik, 3/1980). Although one can find different studies on factor analysis during the 1980s, it was only during the beginning of the 1990s that they became the main source of reference in examining the population groups in the districts of Berlin.

[lxxxvi] Dietrich Delekat and Anita Kis, *Gesundheitsberichterstattung Berlin*, (Berlin: Senatsverwaltung für Arbeit, Soziales und Frauen, 2001), Anita Kis et al., *Diagnosedaten der Berliner Krankenhauspatienten 1994-1999*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2002), G. Meinlschmidt, Uwe Imme and Seeger Michael, *Sozialhilfeempfaengerprognoseverfahren in Berlin*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2003), Dietrich Delekat, *Zur gesundheitlichen Lage von Kindern in Berlin*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2003), Susanne Bettge et al., *Zur gesundheitlichen Lage von Kindern in Berlin*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2006), Sylke Oberwöhrmann, *Basisdaten zur gesundheitlichen und sozialen Lage von Kindern in Berlin*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2007), Sylke Oberwöhrmann and Susanne Bettge, *Grundauswertung der Einschulungsdaten 2006 zur gesundheitlichen und sozialen Lage der Kinder in Berlin*, , (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2008), Susanne Bettge, *Gesundheits- und Risikoverhalten von Berliner Kindern und Jugendlichen – Ergebnisse der HBSC-Studie 2006*, (Berlin: Senatsverwaltung für Gesundheit, Soziales und Verbraucherschutz, 2008).

[lxxxvii] For the most recent discussions on the number of "ethnic entrepreneurs", see Sen and Sauer (2005), Pütz, (2003) and (2004), Hillmann, (2009) and (2006).

[lxxxviii] For description and interpretation of these values, see U.K. Schulery-Hartje et al., *Ethnische Ökonomie. Integrationsfaktor und Integrationsmaßstab*. (Berlin: Deutsches Institut für Urbanistik/Schader Stiftung, 2005) and Institut für Mittelstandsforschung, *Die Bedeutung der ethnischen Ökonomie in Deutschland. Push- und Pullfaktoren ausländischer und ausländisch-stämmiger Mitbürger*, (Universität Mannheim, 2005).

[lxxxix] http://www.neukoelln-plus.de/uploads/media/Satzung_der_Buergerstiftung_Neukoelln.pdf and Peter deCourcy Hero and Peter Walkenhorst (eds.), *Auf dem Weg in die globale Zivilgesellschaft*, (Gütersloh: Verlag Bertelsmann Stiftung, 2009).

[xc] http://www.neukoelln-plus.de/aktiv-werden/partner-werden/

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CHAPTER 4

HISTORICAL FEATURES OF THE BODY OF KNOWLEDGE ON "ETHNIC ENTREPRENEURSHIP"

This is the highest wisdom that I own,
The best that mankind ever knew;
Freedom and life are earned by those alone
Who conquer them each day anew.
(Johann Wolfgang von Goethe, *Faust*, Part Two)

In a conference entitled *Ethnic Entrepreneurship in Europe* and financed by the European Commission, Hans-Georg Kauert (head of the Department for Economic and Innovation Policy of the government in Berlin) addressed the meaning of "ethnic enterprises" for Berlin (2001, 31-37). According to Kauert, by supporting "ethnic entrepreneurs" Berlin aims to benefit from the activities of "immigrants" as much as possible in relation to the economy, society and "integration" of "immigrants". Kauert also mentioned that for the purposes of economic policy, the origin of business owners is not of "immediate" relevance. The primary concern should instead be the level of success these businesses attain and the specific capabilities they show in strengthening Berlin's economy. Therefore, the process of "integration" could work only in a "healthy" economy and in this manner the policies encouraging "ethnic entrepreneurship" could function as mechanisms of "self-help". These arguments to a great extent reflect the political rationality concerning the enterprises owned by "immigrants" in the Federal Republic of Germany (FRG) since the late 1980s.

The aim of this chapter is to examine historically the features that paved the way for this political rationality by focusing on the attempts of scholars/experts to define, categorize, and explain "ethnic entrepreneurship". These intellectual attempts do not always come into effect through policies. Rather, they form an apparatus of knowledge-power (*à la* Foucault) deriving from the practices of "immigrants" and hence, mark out the "reality". A reflection

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on these intellectual attempts is crucial to grasp the references to the political economy as a regime of truth. This regime of truth considers "ethnic entrepreneurship" one of the constitutive parts of a "healthy" economy. It describes, classifies and identifies a set of practices under the label of "ethnic entrepreneurship". In this regime of truth, "ethnic entrepreneurship" is not treated as an error, but as an omnipresent reality that has to be made known and utilized. It has a specific nature. It serves for the political rationality as a reference point that is verified by the regime of truth (political economy).

In order to explore the historical features of these intellectual attempts, I will divide the chapter into three parts. In the first part, I will look at the features that provide the ground for scholars/experts to study entrepreneurship. In the second, I will examine the relation between the formulations of entrepreneurship in Germany's intellectual history (in the late nineteenth and early twentieth centuries) and "ethnic entrepreneurship" in the US and "Europe" (since the mid-1970s). In the last and concluding part, I will outline the way of thinking that has guided political rationality in Germany in imagining "ethnic entrepreneurship" since the late 1980s, based on this body of knowledge.

This historical perspective will allow me not only to question the naturalness of "ethnic entrepreneurship" by looking at the continuities and discontinuities in the usage of entrepreneurship, but also to study "ethnic entrepreneurship" within the context of an understanding that has been promoting an enterprise form in the social fabric of Germany. Additionally, it will help me to portray that "ethnic entrepreneurship" is not an entity only specific to Germany or a top-down formulation of its political rationality. In this sense, one of the goals of this chapter is to underline that descriptions, classifications and redefinitions of "ethnic entrepreneurship" have been the outcome of intellectual contributions deriving from different countries and case studies. Being the third and last part of my historical approach in the general framework of this study, the chapter also adds to the findings of previous

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chapters. That is to say, these intellectual contributions of scholars/experts cross-cut the analyses and "real world happenings" of the "crises of Fordism" (chapter 2) and ruptures of Berlin (chapter 3) at different points.

4.1 Rationalizing the Entrepreneurship

The notion of entrepreneur emerged in sixteenth century France in reference to the captain of fortune that hired mercenary soldiers to serve princes and towns in return for payment (Martinelli 1994, 476).[xci] However, it was only in the eighteenth century that it was used for the economic actors who were undertaking contracts for public works, introducing agricultural techniques or risking their capital in industry.

The Irish economist Richard Cantillon (1680-1734) introduced the first theoretical approach to the concept by underlining the willingness to accept the risk and uncertainty embedded in economic activity.[xcii] Although most of the economists did not touch on the particular role of the entrepreneur, Jean Baptiste Say (1767-1832) was the one to pronounce that the economic role of an entrepreneur derives from the shifting of economic resources from lower into higher productivity and profit (Kwiatkowski 2004, 205). Similarly, John Stuart Mill (1806-1873) separated entrepreneurial function from providing capital and hence considered direction, supervision, control and risk taking as the main components of an entrepreneur (2006). Influenced by the observations of Say, Joseph Schumpeter (1883-1950) became the theorist of entrepreneurship par excellence in the twentieth century. According to Schumpeter, the three pillars in exploring the position of an entrepreneur in capitalist societies are: the nexus between entrepreneurship, innovation and leadership in the analysis of economic development; relationship between entrepreneurial function and bourgeois class in the analysis of social classes; and the fading away of the entrepreneur as the main figure in explaining the crisis of capitalism (Martinelli 1994, 478-9).

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Before looking at its different interpretations, it is necessary to illustrate this shift. That is to say, why did the concept gain impetus since the middle of the eighteenth century, and which features of the period led scholars/experts to study entrepreneurship? Foucault's analysis of the period explores a transformation in the rationalization of governmental practice in the exercise of political sovereignty; i.e. "the reasoned way of governing best and at the same time reflection on the best possible way of governing" (2008a, 2).[xciii]

In explaining the transformation from *raison d'État* to the modern governmental reason that emerged in the middle of eighteenth century, Foucault underlines the importance of the principle of limitation to governmental rationality (Ibid., 6-8). Government, according to *raison d'État*, relied on the idea that each state had to ensure its independence, limit its objectives of returning to a global empire and ensure its forces that it never became inferior to other countries. This external self-limitation was the distinctive feature of *raison d'État*. It was clearly seen with the formation of the military-diplomatic apparatuses in reference to the principles of state self-limitation and necessary and sufficient competition between the states (Foucault 2007, 285-306). In this context, mercantilism was the particular organization of production and commercial circuits. It relied on the idea that state had to enrich itself through monetary accumulation, by increasing its population and by maintaining continuous competition with other states. In contrast to these two forms, the object of police state was infinite when it was a question of managing a public power (Ibid., 311-41). From the sixteenth century until the middle of the eighteenth century, these three (military-diplomatic, mercantilist, policing) methods of governing rationality, whose principle and domain of application was the state, faced constant attempts to limit *raison d'État* by means of juridical reason, e.g. fundamental law, theory of natural law and contract.

However, this question of law to limit *raison d'État* was extrinsic. These external limits to *raison d'État* meant two things (Foucault 2008a, 9-10). First, these limits were

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thought to come from God or to have been irrevocably laid down at the origin. Second, the law was objecting to *raison d'État*, when it crossed these legal limits. In this sense, the law was restrictive and able to call the government illegitimate. According to Foucault, around the middle of eighteenth century this principle of limitation that was external to *raison d'État* went under a transformation. It was no longer extrinsic but intrinsic to the art of government.

This was a transformation because an internal criticism of governmental reason did not spin around the question of right and sovereign's legitimacy. Rather, the question turned into "how not to govern too much" (Ibid., 13). The intellectual instrument (as a form of calculation and rationality) that made possible the self-limitation of governmental reason was the political economy. This became possible through different means (Ibid., 13-9).

First, political economy was not developed outside the *raison d'État*. Its objectives were the adjusted growth of population, means of subsistence, favorable competition and maintenance of equilibrium between states. These were also the objectives of mercantilism, military-diplomatic policy ("European" balance) and the police state. Hence, it was not positioned externally by juridical thought. Second, the physiocrats were the first school to formulate the political economy.[xciv] They emphasized that political power could not have any external limitation, except for the one arising from itself, i.e. economic government. This was an economy defined and controlled by itself. In this manner, we reach the third point, namely that political economy did not aim to question or determine whether governmental practices were legitimate or not. Rather, it focused on the effects of governmental practices, and hence, was able to position itself in the reason established by the middle of the eighteenth century. Fourth, political economy did not find out natural rights that existed before governmental rationality was exercised. Its agenda was to find a particular naturalness relating to the practices of government. In this formulation, nature is something that runs through the method by which governmental rationality is exercised. Fifth, political economy declared the

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question of success or failure, rather than legitimacy or illegitimacy, as its priority. The emphasis on success or failure turned out to be the criteria of governmental action because of the problem of utilitarian philosophy. In short, through political economy, the art of government was directed towards the principle of self-limitation when confronted with question of truth, which was set by the laws of nature. The question became a matter of governing between too much and too little, between maximum and minimum that was established by the nature of things.

Yet, how did this new art of governing (a line between maximum and minimum in the nature of things) provide the grounds for the scholars/experts to study entrepreneurship? Once again, Foucault's arguments on three features of this new art of governing offer a trajectory. In examining the link between the appearance of political economy and problem of least governing, Foucault asserts the first feature of the transformation. This was not a transformation in the sense that policy makers started to listen to economists, or where an economic model became the organizing principle. Rather, it was a transformation that the market went through (Foucault 2008a, 29-37). According to Foucault, during the Middle Ages and sixteenth and seventeenth centuries, the market was a site of jurisdiction. It was a site of justice in the sense that it was governed with specific regulations, including those setting fair prices and ensuring the absence of fraud to protect the consumer. Yet, in the middle of the eighteenth century, the market appeared not as a site of jurisdiction, but became a site that allowed the natural mechanisms to guide the price-value relationship. As much as the prices were determined with the natural mechanisms in the market, this could function as a standard of truth and could provide the ground to falsify and verify the governmental practices. Thus, this regime of verification assured that certain values could be asserted as truths.

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This transformation in the market was not the only specific feature of the times. The formulation of the self-limiting governmental reason in legal terms was the second feature of this transformation. It was the formulation of respect for the truth in terms of public law (Ibid., 38-44). In this manner, two approaches appeared to establish the juridical limits to the exercise of power by public authority. The first approach relied on the rights of man and attempted to achieve a limitation. This was a continuity of the opposition to the *raison d'État* that was expressed by the theorists of natural law during the sixteenth and seventeenth centuries. The second approach, rather than looking at the law, concentrated on the governmental practice itself and preferred to examine de facto limits or desirable limits. It set the limits in reference to utility of governmental intervention. The essential question was when the governmental intervention could be seen as useful or harmful. It was a matter of utility to limit the *raison d'État* and in this framework public law was only a reflection. As a result, in a period when the market (as a mechanism of exchange) became the primary force in determining the value of things, utility emerged as the principle to measure the powers of public authorities. With the merging of these two forms, governmental reason started to function in response to interests; interests of an individual and a collective body of individuals.

This principle of interest, between individual and collective, was not limited to the sphere of objectives within the state. It became an unavoidable conceptualization in the relations between the states in "Europe", and hence constituted the third feature of transformation in the middle of the eighteenth century. According to Foucault, the mercantilist calculation of zero sum game was to a great extent replaced with a formulation of dual profit in this period (Ibid., 51-60). For mercantilism, each state can only enrich itself at the expense of others. In order to prevent the growing difference between states, "European" equilibrium was implemented as a diplomatic tool. However, with the increasing

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impact of the market (as the sphere of truth) and principle of utility (as de facto jurisdiction) on governmental reason, the game of competition between the states inclined towards a reciprocal or collective enrichment. In other words, the enrichment of one state could only be possible with the enrichment of the other. This was the emergence of a new idea in "Europe". Although the game of competition was shaped in "Europe", the bet was the world. It was not the start of colonization or imperialism. Rather, it was a different form of calculation in the governmental practice.

With the emergence of these specific features beginning in the middle of the eighteenth century, it became possible to define the entrepreneur and study entrepreneurship. The entrepreneur has come to represent anyone who undertakes a project, and subsequently meant a merchant, manager or an employer (Montanye 2006). It has emerged as an innovator or developer who seeks opportunities, alters the opportunities into marketable ideas, adds value through time, money, effort or capacity and assumes the risks of the competitive market to realize these ideas. The characteristics of an entrepreneur turned out to be associated with personal initiative, aggressiveness, desire for autonomy, confidence, ability to consolidate resources, management, risk taking, competitiveness, goal-oriented behavior, reality based actions and opportunism (Kuratko and Hodgetts 1998, 30). The entrepreneurship came to represent the practices of individuals according to the impacts of the market (as a sphere of truth), principle of utility (as de facto jurisdiction) and enrichment of the collective. Yet, considering these transformations since the middle of the eighteenth century, one cannot claim a homogenous and constant formulation of entrepreneurship in the intellectual history of "Europe" and Germany.

4.2 On the Ruptures of "ethnic entrepreneurship"

Formulations of entrepreneurship in Germany's intellectual history largely appeared in the late nineteenth and early twentieth centuries. However, scholars/experts in the US and

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"Europe" have been conducting studies on "ethnic entrepreneurship" since the mid-1970s. At this point, it is substantial to note that the notion of "ethnic entrepreneurship" was introduced in reference to the businesses run by "immigrant", "minority" or "ethnic" groups in the US and "Europe".

Broadly speaking, the concept derives from the existence of "ethnic economy", in which any "immigrant" or "ethnic" group maintains a private economic sector and has a controlling ownership stake (Light and Gold 2000, 9). Although various explanations[xcv] have emerged concerning this concept, two points are crucial in understanding the development of this body of knowledge. First, until the late 1980s, analyses on the subject were mostly focused on the case studies from the US; only after the late 1980s did different examinations start to emerge from case studies in "Europe". Second, in parallel to this development, while the former concentrated initially on entrepreneurs' resources, their disadvantaged situations and their socio-familial backgrounds, the latter tried to bring analyses on the role of welfare systems, economic models and political decisions. In this historical framework, five different approaches (middleman minorities, disadvantage, ethnic enclave, interaction and mixed embeddedness) have constituted the main body of knowledge on "ethnic entrepreneurship". These approaches and studies on "ethnic entrepreneurship" have become influential on the political rationality in Germany since the late 1980s and mostly early 1990s.

Therefore, in this part of the chapter, I will try to explore the relation between the formulations of entrepreneurship in Germany's intellectual history (in the late nineteenth and early twentieth centuries) and "ethnic entrepreneurship" in the US and "Europe" (since the mid-1970s). By pursuing this goal, I will focus on the different approaches (i.e. middleman minorities, disadvantage, ethnic enclave, interaction and mixed embeddedness) of "ethnic entrepreneurship" by revisiting the works of Georg Simmel (1858-1918), Werner Sombart (1863-1941) and Max Weber (1864-1920).

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Although it is not within the scope of this study to analyze the works of various German intellectuals and scholars, it will be essential to reflect briefly on the works of Simmel, Sombart and Weber only because of their historicist critique of classical economics,[xcvi] but also because of their legacy concerning the body of knowledge on "ethnic entrepreneurship". They concentrated on the role of different groups (particularly foreigners, Jews and protestant entrepreneurs) in the development of capitalism. In this sense, their legacy can be seen in the framework of three factors.

First, coming from the German school of historicism,[xcvii] all of them examined the relations between economy and society (Trigilia 2002, 17-35). This was the common ground they shared with the political economists. They were engaged with the question of governing between too much and too little, between maximum and minimum, that was established by the nature of things. In other words, the principle of self-limitation in the art of government had already become the agenda of various academic disciplines (e.g. social economists) and experts in the late nineteenth century.

Second, Simmel, Sombart and Weber had experienced the development of the neoclassical economic theory, which turned out to be another reference point for the governmental rationality at the beginning of the twentieth century.[xcviii] This was not a rupture from the understanding of market as a regime of verification as conceptualized by the classical economists. The theme of economic growth, which was the focal point of classical economists, continued to be influential. Allocation of given resources among alternative utilizations dominated the arguments of the neoclassical school (Screpanti and Zamagni 2005, 165-7).[xcix] The marginalism that was underlined by the neoclassical school paved the way for a particular version of utilitarian philosophy. For people adhering to this way of thinking, human behavior can be reducible to rational calculation in pursuit of the maximization of utility.[c] In this context, Simmel, Sombart and Weber tried to underline the

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limits of empirical validity of neoclassical school, relying on the complex structure and conditions of modern capitalism.

Third, the contributions of Simmel, Sombart and especially Weber on the rationality of capitalist society were going to be the points of departure for theoretical foundations of German post-War liberalism, i.e. *Ordo-liberals*. With the endeavor to redefine the economic rationality, they aimed to prevent the development of the social irrationality of capitalism (Foucault 2008a, 75-157).

4.2.1 Middleman Minorities Approach

The term middleman minority was introduced by H. P. Becker (1899-1960) in response to Sombart's association of commercial success with the Jews (Zenner 1991, 7).[ci] In 1973, depending on Becker's argument and deriving from the concept developed by Blalock,[cii] Bonacich argued that in contrast to other "ethnic" minorities, middleman minorities occupy an intermediate rather than a low-status position and mostly concentrate on trade. The delivery of goods and services between producer and consumer, employer and employee, owner and renter, elite and masses allow them to play the role of a middleman (Bonacich 1973). In this sense, the middleman status closes the status gap between elites and masses.

Broadly speaking, sojourning is treated as a necessary stage, but not a sufficient condition that leads to middleman status. Sojourning includes a tendency toward thrift,[ciii] which is the product of a willingness to suffer short-term deprivation in order to return to the homeland more quickly. This is mostly reflected in long hours of work, tendency to save money and little or no time/money spent on consumption. These workers are in the host country to make money, not to spend it. 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.

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Since all the plans are focused on returning to the homeland, sojourners do not develop permanent relations with the members of surrounding society. This paves the way for an 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 and identity, sojourners try to present a superseding national unity against the host society. Because of solidarity with the homeland, they resist out-of-culture-marriage, reside in self-segregation, establish language and cultural schools for their children, maintain cultural distinctiveness from the host society and avoid involvement in local politics except in affairs that directly affect their group.

Family, regional and/or "ethnic" ties can be used as preferential economic treatment. These ties help to efficiently distribute the resources (capital, credit, information, training and loans) and to control internal competition. Since middleman community organization is built upon thrift and "ethnically" based paternalism, the middleman firms (labor-intensive) can cut the costs in order to compete easily with other enterprises. This goes hand in hand with the competition in the 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.

According to Bonacich, these factors augment the conflict between host society and middleman minorities because of economic matters and solidarity (Bonacich 1973, 589-91). First, the conflict of interest is between buyer and seller, renter and landlord or client and professional. The middleman minorities become part of this conflict since they are often concentrated in these occupations. Second, it is the conflict between competing business groups and middleman minorities deriving from their lower-priced firms. Third, the employees are willing to work long hours at low prices in the middleman family firm. This

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generates a conflict between cheap and higher priced labor.[civ]

The ambivalence toward the place of residence also contributes to the formation of middleman minority groups. According to the formulation of Bonacich, the desire to stay away from the homeland can derive from the political conditions in this country or business success that makes returning ironically difficult (Bonacich 1973, 592-93). On the other hand, the desire to return produces the distance from the host society. Considering this ambivalence, middleman minorities are accused of having dual loyalties even if they become citizens of the country they reside in. Occasional visits, sending money to their homeland, resistance to assimilation and continued solidarity are seen by the host society as important indicators of this dual loyalty. Thus, host reaction solidifies middleman minority status and in turn, the love of homeland is kept alive. When this dynamic becomes self-perpetuating, the group turns into a permanent minority. Although the middleman is bound to the host society because of its economic activities, he keeps himself apart from host culture through easily liquidated occupations and economic organization.

Bonacich's arguments were explicitly influenced by Simmel's stranger as the trader/trader as the stranger, 'who comes today and stays tomorrow' (1950, 402-3). In examining the relation between society and economy, Simmel focused on a set of institutions that emerged as a result of interactions between human beings. After becoming more concrete, these institutions formed the behaviors of human beings. Money was one of these institutions.

Simmel argued that the maintenance of private accumulation of capital required the spread of money as an instrument of exchange (1990, 168-204). It was the story of money being transformed from matter to function, substance to symbol (Ibid., 131-98). In order to exist as the driving force of economic activity, money had to rely on the principle of trust. It was a trust relationship that could exchange the capacity of money into goods at any given

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moment. This non-economic condition would not be possible without the support of the central state and judicial system, which in turn generated interdependence between money economy and modern state. In other words, the state as the guarantor of exchange was able to grow through taxation, bureaucracy and militarily, all of which depended on the money.

In this process, money became an end in itself and inevitably created positive and negative impacts on social relations and ways of life. According to Simmel, money had positive impacts, particularly on the growth of individual liberty in the sense that spheres of exchange and production became interchangeable (Ibid., 283-355). This was a crucial split from the traditional forms of production and consumption that were dominant in the medieval economy. In this context, the stranger was one of the central characters that could dedicate itself to the diffusion of money and its order.

Yet, Simmel did not focus on this agent of change in order to explore the origin of capitalist entrepreneurialism. Rather, his emphasis on the stranger aimed to reveal the conditions that led to the pursuit of this activity. The stranger emerged as a potential wanderer (who comes today and stays tomorrow) (Simmel 1950, 402-8). Simmel introduced the stranger in reference to the history of economics, in which a spatially narrow group started to connect itself to the world through trade. Thus, "the stranger everywhere appeared as the trader, or the trader as the stranger" (Ibid., 403). It was the necessity to commodities outside the group that constituted the "strange" merchants, since other members did not leave the circle and nobody had the chance to make a living.

Trade was the activity that could absorb more people than production and create various combinations in new territories. According to Simmel, this was a task for the stranger and the classical example could be seen in the history of "European" Jews. The stranger was not the owner of land and therefore had advantages in monetary dealings since he was not faced with the demands of reciprocity. These characteristics could lessen the pressure of

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commerce (as a threat for the moral order of a society) and trader (as the party threatened by the moral demands of society). Being a stranger, the trader was a confidant by being socially distant. He was able to keep a secret without the knowledge of group members. The stranger had a particular attitude of objectivity involving distance and nearness, indifference and involvement rather than passivity and detachment.

> The stranger is close to us, insofar as we feel between him and ourselves common features of a national, social, occupational, or generally human, nature. He is far from us, insofar as these common features extend beyond him or us, and connect us only because they connect a great many people. (Ibid., 406)

This objectivity was a form of freedom. It set no constrains on the stranger since there was no commitment that could bind him. This was a different way of life. It was certainly a break from the old set of legal and economic relations between the sovereign and the subject, which obliged the former to protect the latter. It was the stranger/trader that was the forerunner of the market economy. The stranger/trader was in this sense the innovator, developer, risk-taker; he was autonomous and an opportunity seeker.[cv] In the pursuit of self-interest, the stranger/trader was not detached or distanced from his spatially narrow group. Rather, he was an initiator of collective interest in the sense that he was connecting the group with the world market. In this context, market became a regime of truth not only in the political rationality but also in the daily practices of individuals.

However, money economy also had negative impacts on the individual (Simmel 1950, 409-24, also Simmel 1990, 400-4 and 441-78). By acquiring its own life, money began to condition individual behavior more, and simultaneously reproduced social organizations. Rationalization, calculation and calculability as the fundamental characteristics of the time diffused in different parts of social life. Depersonalizing became a dominant fact and individuals lost, to a certain extent, the control over their lives. They became more isolated and felt incapable of organizing things. Alienation turned into a condition of living through money. Thus, a solution, which was not socialism for Simmel, had to be generated to balance

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the positive and negative impacts of modern economy. This should be a balance between the autonomy of the society (freedom of individuals and individual interests) and the rule of rationality, calculation, control and intervention.

Consequently, being influenced by Simmel's stranger/trader, the middleman minority perspective becomes one of the early reflections on the "crises of Fordism". Within this context, the emphasis is made on the possible role of "ethnic entrepreneurs" in the local markets, which can contribute to the "integration" of a group to the country they reside in. In terms of "integration" and socio-economic achievement on the local level, the "ethnic entrepreneur" has turned into a symbol of responsibility, specifically responsibility to the social group (especially to the younger generations) that he/she comes from, to the functioning of the market and competition and to the homeland and hostland (in terms of institutions and laws). The will on self-determination has turned the "ethnic entrepreneur" into a socially responsible and rationally economic agent. On the other hand, the emphasis on the ambiguity of residence and loyalty (hostland/homeland) considers the existence of cultural difference and ethnic identity, which form the core of social responsibility.

4.2.2 Disadvantage Approach

A similar approach to entrepreneurship was generated with an emphasis on the disadvantages of various social groups in the host society. The most obvious difference was the subject of these two approaches. While the middleman minority theory was initially influenced by the studies on "European" Jews and later on developed in reference to different "immigrant" groups in the United States, the disadvantage theory was derived from the analysis of "black" and/or "African American" people in the United States.

The preliminary arguments of this approach were formulated by Booker T. Washington (1856-1915), who pointed out the businesses and home ownerships as the main instruments of "black" empowerment (Butler 1991). In order to solidify his project, in 1900 Washington

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established the *National Negro Business League*, which helped "black" enterprises to solve their merchandising and advertising problems. This was substantial to prove the advantages of "networking" in business as he pointed out in his book, *The Negro in Business*. With economic power "black" people would have less problems claiming social and political equality than they would have in its absence. The "black" economic power should have priority over the political power and education. According to Washington, "white" people failed to satisfy their "black" customers by either neglecting them or misunderstanding their needs. Hence, having the knowledge of their customers, the "black" people would possess a competitive market edge, would learn industry, thrift, creditworthiness and honesty, and in return would teach other "black" people a better set of morals.

Deriving from these arguments in the first half of the twentieth century, the disadvantage theory, mostly in the 1970s and 1980s, considers entrepreneurship as a survival strategy for "immigrant" or "minority" groups because of the barriers they faced in the formal labor market. In this formulation, entrepreneurship does not necessarily end with a change in someone's class position, e.g. a shift of status from an employee to an employer. Rather it is an alternative to underemployment. According to Light and Rosenstein, these survivalist entrepreneurs are the people that become self-employed as a reaction to the desperate need to find autonomous means of livelihood (1995, 213). 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. These groups, by choosing small business ownership, may earn more by capitalizing family resources, such as unpaid labor.

The obstacles like poverty, unemployment, poor language skills, limited educational attainments, limited employment opportunities and discrimination (gender and racial) pushed these groups to earn more in entrepreneurship than they might have received as wage earners.

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The issue becomes a problem or decisive when these disadvantages affect one's position in the labor market (Pécoud 2000, 450). Especially in the times of economic decline and mass unemployment, the job opportunities of disadvantaged groups become worse, since the competition in the labor market intensifies and directs these groups to the marginal sectors of the economy (Boyd 2000, 648).[cvi] At this point, Light and Gold also emphasize the need to distinguish between resource and labor market disadvantages (2000, 197-207). According to them, the labor market disadvantages will lead towards mainstream entrepreneurship when the group in question guarantees its resources. Resources mostly refer to property, wealth, human capital, group solidarity and cultural values. In the context of labor market disadvantages, the "immigrant" or "minority" groups have human, social or cultural capital and are able to develop their businesses depending upon these resources. In this sense, they are in a better position than resource-disadvantaged groups, which have little human, social or cultural capital. The lack of resources quite often forces them to seek opportunities in the informal economy.

Similar arguments may be found in Sombart's emphasis on the role of state in the development of entrepreneurialism. Sombart (like Simmel) was interested in the relation between economy and society. He questioned how society influenced a particular organization of economic life through its actors, institutions, scientific knowledge and technology in various spatial and temporal boundaries. By emphasizing different economic mentalities, organizations and technologies in various territories, he distinguished capitalist system from feudal and artisan economies and stressed three successive periods in capitalism. These were first capitalism (ended at the end of eighteenth century), full capitalism (dominated the nineteenth century and ended with the World War I) and since then, the last phase of capitalism.[cvii] In order to illustrate the change from one system to another, Sombart

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looked at the specific motivations of actors and their impacts and tried to differentiate himself from historicism and Marxism (Trigilia 2002, 43).

During the development of capitalism, the actors that brought a new economic outlook to the old system were the entrepreneurs. In order to exist, the capitalist mentality required the merging of the spirits of enterprise and bourgeois. The spirit of enterprise was an aspiration to power and a desire for social recognition that broke the individual from the tradition. This initial phase has been apparent since the sixteenth century, and came into existence with the building of the modern state, mercantilist form of organization, modern colonies and diverse technical apparatuses (Sombart 2001a, 12-83). Yet this spirit of enterprise did not pave the way for the birth of capitalist economy. Only its merging with the bourgeois spirit around the middle of the eighteenth century provided the growth of a capitalist point of view (Ibid., 83-111). In other words, entrepreneurialism stemmed from the politics, and then was able to extend and dominate the organization of economic life.

The aspiration for technological development as a necessary mechanism for military power was reflected in the struggle between states to increase the stocks of precious metals. This interdependence between state, technological development and policy to increase the stocks of precious metals supported political entrepreneurialism through mercantilist policies. The policies of colonization not only shaped the growth of market, transportation of goods, industry and different consumption patterns, but also had an effect on the accumulation of capital[cviii] and formation of a social strata. However, the decisive element for the development of capitalism was entrepreneurship. Particular groups (e.g. heretics[cix], foreigners and Jews) nourished the creation of this entrepreneurship. It was formed under the cultural influence of Christian religion[cx] and circumstances of "European" cities. The state contributed to this process in the way that it shaped the conditions to exclude these groups from different rights. According to Sombart, those who did not belong to main religion were

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treated as semi-citizens (de jura or de facto). In order to get a status in the public life, these groups valued the capitalist mentality and bourgeois spirit more than any other group. Migration experience also had an impact on these groups. Migration meant choice, i.e. choosing to leave. Those who chose to leave were thought to be determined, courageous and ready to break with old customs (traditional relations). The only possibility of social mobility for these strangers in the host society was economic activity. As a result of this experience of migration and social marginalization, these strangers developed trust relationships, which were crucial for economic activity in different markets. This is the point that Sombart explicitly uses to describe the entrepreneur.

Sombart presented a transformation in entrepreneurialism, in reference to his periodization of capitalism, its difference from the feudal-artisan economies and role of social groups (especially Jews) within this formation (Trigilia 2002, 48-9). Basically, the entrepreneurial mentality moved from the initial religious motivations towards the capitalist concepts of duty, work, productivity, well-being and social recognition. In this process of secularization, contextual factors like severe competition, specialization, applied research and training, technological developments and knowledge-ability on markets, finance and industry became decisive for the formation of entrepreneurialism. Under the influence of these factors, economic rationalism came into effect in terms of plans (ordering activities in the distant future), efficiency (choosing the means of production) and calculations (regulating economic activity, flow of money and surplus) (Sombart 2001a, 113). Rationalization affected the legal order, state intervention in the economic field, labor, consumption and the organization and functioning of a firm. According to Sombart, this rationalization is the framework for the emergence of the modern capitalist undertaker, who has two radically different natures in one person.

> Like Faust, he may say that two souls dwell within his breast; unlike Faust's, however, the two souls do not wish to be separated, but rather, on the contrary,

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> desire to work harmoniously together. What are these two natures? The one is the undertaker (not in the more limited sense of capitalistic undertaker, but quite generally), and the other is the trader. (Ibid., 114)

The undertaker stands for a man who has an object in view. This object can be attained with cooperation of others and realized only in the world of men. One has to devote his life for this object. Thus, every action needs to be planned. A gaze into the distant future is an indispensable part of this mission. The trader is someone who assembles his whole life on profitable business, the monetary value of things, the principle of one great market-place and the question of cost. In this sense, a trader is both a speculating calculator and a negotiator. Speculating refers to the ability to portray conclusions through particular instances. With this formulation, it is

> …the power of economic diagnosis, the complete survey of the market, the evaluation of all its symptoms, the recognition of future possibilities and the choice of that course which will have the greatest utility in the long run... To this end the dealer must have a hundred eyes, a hundred ears and a hundred feelers in all directions. (Ibid., 117)

At this point, trader's negotiating power will also come into the scene. The negotiator has to talk with his opponent and advocate arguments/counter-arguments in order to bring him to a particular direction with intellectual tools.[cxi]

The modern capitalist entrepreneur is the combination of undertaker and trader. This modern entrepreneur is the undertaker with its constancy for the far-distant goal and trader with its capacity to change according to the conditions of market. Yet for Sombart, the two souls in one body were also composed of other qualities (Ibid., 115-6). This body is an inventor (in a technical sense, but also in the way of introducing new forms to the economy), a discoverer (by selling his commodities in new means), a conqueror (equipped with the determination and will-power to overcome the difficulties and ability to risk as much as possible to achieve the results), and an organizer (by achieving maximum efficiency from individuals and factors in the work of production and managing circumstances of all sorts).

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Within this context, the calculating, rational and utilitarian entrepreneur turned into a dominant figure of the time and came into existence in the liberal political rationality and political economy of capitalism. Entrepreneurship, in reference to Jews and other social groups, was associated with a cultural practice. Cultural dynamics were declared as the influential orientations for becoming an entrepreneur and certain geographical settings were taken as the constitutive parts of these social groups. As a result, ethnicity as a pre-given category became an essential part of the entrepreneur. On the other hand, according to Sombart, at this apex of its development, capitalism would tend towards more rationalization, standardization of needs and mass markets, political intervention into the economy (similar to economic systems based on the planned economies), regulation, large bureaucratized structures and hence its decline (2001b, 247-62).

However, it should be noted that the disadvantage theory (by highlighting the barriers in the formal economy for different groups) is not only related to the arguments of Sombart (on the role of state in the development of entrepreneurialism). It is also related to arguments of the middleman minority theory. This common ground is the crucial role of human, social or cultural capital in becoming an entrepreneur for the social group that is under investigation (e.g. "immigrants", "minorities", "blacks," "African Americans," and any other "ethnically" different group). In this sense, "human nature" and non-economic factors have started to make up the focal points of explanations and formulations. Social relations, individual behavior and different forms of action have set up the new categories in examining the relations between economy and society. These categories have begun to be employed by economic terms, criteria and formulations.

As Foucault points out (mostly in reference to the economic formulations of the Chicago School), the value given to the human behavior and its internal rationality derive from the task of bringing labor back into the economic analysis (2008a, 219-24). This was a

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reformulation of labor (against the criticism of Marx on the logic of capital, which reduces the labor into labor power and time) which studied the way in which individuals utilize scarce means to alternative ends (compared to the analyses of classical economists that try to examine only the processes of capital, investment, production and consumption). This reformulation of labor, from the individual who practices work's point of view, also encompasses capital (source of income) as ability, and skill (in a positive way) as something that cannot be abstracted from her/his body. Therefore, as the bearer of this capital, the individual turns into a form of enterprise for her/himself, i.e. *homo oeconomicus* as the entrepreneur of her/himself (Ibid., 225-6).

Accordingly, both middleman minority and disadvantage theories position the human, social or cultural capital into the core of their analyses on "ethnically" different groups. These forms of capital are given as the most crucial assets of these groups, since they cannot be abstracted. They are one of the constitutive parts of their existence. Therefore, these individuals have the capacity to become an entrepreneur, since it is a process of achievement and self-determination that can be generated relying on the forms of capital they inherit ontologically.

4.2.3 Ethnic Enclave Economy Approach

The reformulations of labor and individual as bearers of capital (source of income, and a form of skill and ability) also became reference points from an institutionalist perspective in studying "ethnic entrepreneurship". Often labeled the ethnic enclave economy, the approach was developed during the 1980s and based on the dual labor market theory[cxii] (a product of the Institutional School that was developed in the US at the end of the 1880s, and influenced mainly from the German Historical School[cxiii] and the English Historicists[cxiv]).

Broadly speaking, the stress on spatial clustering (introduced initially by the dual labor market theory) differentiates the formulations of ethnic enclave economy from the

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approaches of middleman minority and disadvantage. Enclaves are considered spatially clustered "networks" of businesses owned by the members of an "immigrant" or "minority" group. They emerge in close proximity to the areas inhabited by the "immigrant" or "minority" group, unlike the middleman minorities (Portes 1995, 27-8). These enclave businesses initially serve the "culturally" defined needs of their "co-ethnic" groups. Only after a while, some of them can slowly shift to supply certain products or services to the broader market. In contrast to middleman minority enterprises (mostly active in retail trade and petty financial services), enclaves are diversified in certain branches of industrial production and service sector. Their success and growth rely on three factors: the size of "co-ethnic" population as the source of market and labor, the level of entrepreneurial skills among the group, and the accessibility of capital resources.

Accordingly, the emergence of enclaves corresponds to the transformations that take place in certain urban areas, which are apparent with the commercial signs in different languages and the businesses with different cultural practices. These enclaves can turn into institutional entities throughout time. In this manner, the newcomers can be regulated in the confines of the "ethnic" group. This institutionalization of enclaves is short-lived, mostly one or two generations. Still, the newcomers can make use of the culturally specific skills that are brought from abroad and learn the ties of a business through apprenticeship in "co-ethnic" firms.

The ethnic enclave economy is also conceptualized in relation to the "integration" of firms and "co-ethnic" employees. By pursuing this goal, Wilson and Portes build their analysis upon dual labor market theory's distinction between the competitive and monopolistic forms of economic organization (1980). In this perspective, an ethnic enclave economy can obtain advantages from the monopolistic form of economic organization even though they function in the competitive form. First, enclave economy can offer "immigrant"

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workers a protected niche of opportunities for career mobility that are not available to them in the secondary labor market (Nee, Sanders and Sernau 1994, 850). That is to say that the mobilization of "ethnic" solidarity can create opportunities for "immigrant" workers. Through proper training, these hard working enclave workers would be able to raise the required capital to become business owners. Second, these entrepreneurs could mobilize "ethnic" solidarity to set up a system of "integration" enabling enclave firms to imitate some of the economies of scale associated with core monopolistic firms (Sanders and Nee 1987, 746). "Ethnic" solidarity can provide these entrepreneurs privileged access to "immigrant" labor power and legitimated paternalistic work arrangements that give these firms favorable work discipline. These "networks" can also generate informal sources of capital formation and captive markets. By providing cheap labor and mobility opportunities for the enterprises, the enclaves function as a shield for their members from the challenges in the market. Hence, enclave firms could become more self-sufficient and flexible.

According to Wilson and Martin, two groups of enterprise seem to emerge in these enclaves (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, enclaves are considered as part of the periphery in the general economy. These 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, these firms may possibly be arranged in a fairly unified system of vertical and horizontal "integration". In this sense, they resemble the features of competition in the general economy and hence utilize the advantages deriving from this. The firms in this case are supposed to produce higher initial profits per unit of demand, make higher levels of production, pay higher wages and create more jobs.

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Formulation of these enclaves as institutions that provide grounds for "ethnic entrepreneurship" can be traced back to Weber's remark on entrepreneurial activity emerging as a result of appropriate institutional frameworks and a cultural condition. Working on the role of non-economic cultural and institutional conditions, Weber (similar to Simmel and Sombart) also examined the emergence of the modern entrepreneur in Western capitalism.

For Weber, entrepreneurial activity was not a constant phenomenon but rather an experience that depended on an appropriate institutional framework. The expansion of modern capitalism was not a question of the origin of the capital sums; rather it was the development of the spirit of capitalism (Weber 1950, 68). This development was the influence of the economic ethic of Protestantism and especially Calvinism (Ibid., 98-127).[cxv] Broadly speaking, the idea of predestination[cxvi] created a concern and psychological need for encouragement. The believer had to work hard and behave as if he were elected. A sign of election could only be determined by the achievements of a person in his profession. Thus, the believer had to work even harder to maintain this condition. This ethic should also be supported by the condemnation of luxury goods and pleasures for their own sake. As Kenneth J. Barr appropriately puts it, the entrepreneur (as Weber saw it)

> …was not someone …involved in speculation, money lending, plunder through war, tax farming and so on… And the entrepreneur was certainly not the merchant, craftsman or craftswoman of a guild compelled to subordinate acquisition to the dictates of livelihood. An entrepreneur… was instead the man of sober nineteenth century industrial capitalism. The entrepreneur… organizes production as well as trade; employs formally free wage-laborers; and is guided by a singularity of focus, by the making of money, by the desire to profit and gain, not by the habit of merely satisfying his most basic material needs (Barr 1999, 411-2)

In this sense, Weber considered the influence of the economic ethic of Protestantism as the cultural condition in discussing the role and importance of the entrepreneur in capitalist development of the West.

Yet Weber also mentioned the role of Western city, rational state and rational science as the institutional conditions of this development. With this emphasis, he set apart the

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modern capitalism from non-capitalist economic organizational forms and other types of capitalism. This distinction could only be understood with the impact of certain preconditions (ideal types) in the West.[cxvii] Broadly speaking, the particularity of modern capitalism was the fulfillment of needs through the market mechanism, which was developed with the rationalization of capital accounting (via bookkeeping and legal separation of the firm and entrepreneur's family assets) and organization of free waged labor. The private ownership of the means of production and their commercial use enabled the entrepreneur to rely on the idea of a free market. This freedom of the market was necessary for the consumption of goods and factors of production, both of which could come into existence with a free labor force. In addition to the rational technology, the free labor force also allowed the precise calculation of the necessary costs of production. These calculations, being crucial for the profitability of economic transactions, had to be secured through a legal system. By undertaking this responsibility, the state reduced the risks and guaranteed the predictability among private actors and public administration in the commercialization of the economy.

Therefore, capitalism was not associated with the market. Market was only an important component of it. The cultural (influence of ethical prophecy on Western rationalization) and institutional (influence of Western city, rational government administration that is both legitimate and effective, experimental science and authority deriving from Roman law) conditions, as pre-conditions for the practice of entrepreneurship, constituted the features of modern capitalism.

However, this was the main problem in the reproduction of modern capitalism that would pave the way for a paradox of rationalization. On the one hand, rationalization as a conduct of life augmented the control of individuals over the world and simultaneously led to development of efficiency in different activities. On the other hand, the process of rationalization threatened the liberty of individuals and could lead to economic/social

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stagnation, political capitalism or state socialism. To put it differently, in the crises of capitalism, the competing enterprises would lead towards a regulated economy by the policy makers or the cartels. Cartels would function as a mechanism to regulate prices, production and competition, while the banks would use credit policies to limit the risk of overproduction. This greater organization of economy and society would necessitate the growth of state bureaucracy both to supervise the public firms and intervene with the responsibility of running the economy. As a result, the reproduction of capitalism was a problem of balance between state intervention and autonomy of society and the market. It was a matter of governing between too much and too little, between maximum and minimum.

At this point, one can underline that ethnic enclave economy tries to bring in the crucial role of space, i.e. enclave for the development of human, social and cultural capitals. This derives from the understanding that mechanisms of market and competition are surrounded by various institutions. The enclaves functioning as institutions are the terrains that can be intervened or shaped by different economic actors and public authorities. These institutions (enclaves) are the targets of policies, individual maneuvers and various negotiations on the rules of the game which consists of the mechanisms of market and competition. For these formulations, the "ethnic entrepreneurs" as economic-rational individuals can be understood in reference to these institutions. In other words, enclaves stress the embeddedness of individuals in different "networks" and impacts of this embeddedness on entrepreneurial practices. As institutional forms, enclaves maintain and reproduce the norms of "ethnically" different groups, "integrate" these groups into the functioning of market and competition, and provide various opportunities of employment, adaptation and self-determination. These are the spheres, in which "ethnic entrepreneurs" are free to act, considering the mechanisms of market and competition, and become responsible individually and collectively because of their "cultural" backgrounds.

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4.2.4 Interaction Approach

In the late 1980s and early 1990s, a new attempt emerged in this body of knowledge on "ethnic entrepreneurship". There were two noticeable points in this new attempt. First, the cases were not predominantly based on the experiences of entrepreneurs in the US. Different examples from "Europe" were also brought into analysis. Second, the features of individual behaviors and social embeddedness were taken together as the framework of explanations. This was intended to indicate that as rational-economic agents "ethnic entrepreneurs" are sensitive to changes in their environment and respond to these changes. Thus, the "ethnic entrepreneur" conducts various activities with an economic rationality and a moral quality of responsibility. This formulation can be best exemplified with the interaction model of Waldinger, Aldrich and Ward, who assert the opportunity structures (market conditions and access to ownership), characteristics of the "ethnic" groups (predisposing factors and resource mobilization) and "ethnic" strategies as the decisive elements for the development of "ethnic entrepreneurship" (1990, 22).

According to Waldinger, Aldrich and Ward, the market conditions consist of "ethnic" consumer products and position of businesses in the "open" markets. The former is the market that depends on the demands of an "ethnic" community. It is a springboard for the emergence of "ethnic entrepreneurs" (Ibid., 23-4). A direct connection with the immigrants' homeland, knowledge on immigrants' tastes and buying preferences, distance of "immigrants" to the institutionalized mechanisms of service delivery and trust mechanism function as the factors of existence in this market. Yet, as a market it is quantitatively small since the population has limited buying power. Additionally, over-competition among "ethnic entrepreneurs" is considered as an obstacle since it generates low profits and high failure rates. In "open" markets, "ethnic entrepreneurs" can run their businesses under the conditions of four market types (Ibid., 25-8). First, there are underserved or abandoned markets, which

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are in the core of urban centers and mostly close to the areas populated by "ethnic" groups. Due to the technological and organizational conditions, they are not favorable to large-scale enterprises and thus promote small enterprises which have virtually no capital to start businesses. Second, these entrepreneurs can obtain high levels of efficiency with self-exploitation in markets where there are low economies of scale, especially in the absence of capital-intensive sectors. Third, in the unstable and uncertain markets, the large-scale firms handling staple products cannot compete with small-scale firms supplying goods and services to the unpredictable or fluctuating portion of demand through low entry barriers and high labor-to-capital ratios. Four, the demand for exotic goods and services among the "native" population allows them to adapt the content and symbols of ethnicity into profit-making commodities (Ibid., 27).

The access to ownership, as the other half of opportunity structures, is largely conditioned by the number of vacant business-ownership positions, competition for these positions and government policies. The "inter-ethnic" competition may be either direct, in which "ethnic minorities" or "immigrants" do not have the option to enter to the desirable markets, or mediated through the processes of residential and occupational succession (Aldrich and Waldinger 1990, 118).[cxviii] In both cases government policies that regulate business and labor markets (e.g. through licensing and apprenticeship requirements, health standards, insurance obligations, wage laws, taxing parameters and incitements) set the rules of competition and affect the access to ownership in different ways (Ibid., 120-2).[cxix] Overall, these opportunity structures call to mind the emphases of Simmel, Sombart and Weber on the institutional conditions (e.g. influence of the rational governmental administration, idea of a free market, technology, science, rule of law, standardization consumption and production) in the development of "Western capitalism".

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The interaction approach also tries to illustrate why particular "ethnic" groups disproportionately concentrate on "ethnic enterprises" by underlining the groups' characteristics (i.e. predisposed factors and resource mobilization), which remind the features of Simmel's stranger/trader; Sombart's heretics, foreigners and Jews; and Weber's ethic of Protestantism. The predisposed factors refer to the skills and goals that individuals bring with them to an opportunity. In this context, human capital is regarded as the focal point since it enables "immigrants" to utilize their experiences and education in pursuing employment opportunities. These predisposed factors may also refer to the settlement characteristics (e.g. residential clustering and pseudo-middleman minority situation) and culture/aspiration levels, since they provide low-wage labor, flexible working hours and various social "networks".

On the other hand, the resource mobilization is related to the definition of identity and can be experienced in the close ties between "co-ethnic" people, "ethnic" social "networks" and government policies (Waldinger, Aldrich and Ward 1990, 34-40). According to Aldrich and Waldinger, social ties are essential components of business operations in all capitalist societies (1990, 26). Yet, the government policies vary depending on the dynamics of economy, and the amount of money allocated to "ethnic entrepreneurs" has never been large. In this context, it is the social ties between "co-ethnic" individuals that engender resource mobilization at different scales. Within these social "networks" the 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" inevitably reproduces the ethnic identity of an "immigrant" group and provides confidentiality, social control and a mechanism of "self-help".[cxx]

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As a result of the interaction between opportunity structures and group characteristics, "ethnic entrepreneurs" create strategies in order to reach the resources available to them (Waldinger, Aldrich and Ward 1990, 46-7). These "ethnic" strategies mostly become apparent from the need to confront seven different problems. First, in order to get the information necessary for the establishment and survival of their firms, the "ethnic entrepreneurs" make use of their social ties, which can be hierarchically or diffusely organized, and can be seen in ritualized occasions, ceremonies or media associations. Second is the need to obtain capital for the establishment or expansion of businesses through rotating credit associations. Third, "ethnic entrepreneurs" need training and skills to run a small business and these are formed mostly when the potential owner is working in a "co-ethnic" or family member's business. Fourth, in recruiting and managing efficient, honest and cheap workers, "ethnic entrepreneurs" rely on their families and "co-ethnic" groups. Fifth, they provide special services to their "co-ethnic" groups since they constitute the largest group of their customers and suppliers, even though in some cases these may lower their profits. Sixth, to survive the strenuous business competition, they make alliances with other families through marriages, found and support "ethnic" trading associations, expand their business by opening new shops or making changes in the chain of production and also increase self-exploitation. Seventh, they need protection from government officials and rival owners outside their "ethnic" communities via bribery, paying penalties, seeking loopholes and organizing protests.

Taken as a whole, the approach of interaction emphasizes the specific capabilities and potentials of "ethnic entrepreneurs". These potentials come from social "networks" and strategies (as reflections of pre-given cultural differences) and have to be analyzed in reference to various institutions (as the terrain of social policies). Here, the institutions refer to the private and public entities, unlike a spatial understanding stressed by the ethnic enclave

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approach. In this sense, the interaction approach attempts to bring institutions and social "networks" together by interpreting the "ethnic entrepreneurs" as economic-rational and socially responsible individuals.

4.2.5 Mixed Embeddedness Approach

At the end of the 1990s, following the interaction approach, the most comprehensive theoretical framework to "ethnic entrepreneurship" (hereafter, it was also called "immigrant entrepreneurship")[cxxi] emerged with the initiatives of scholars from "Europe". This endeavor tried to combine agency and structural perspectives, and hence it was labeled as mixed embeddedness. To go beyond the social embeddedness of actors as a theoretical outline, which is especially preferred in the US, the scholars of mixed-embeddedness put opportunity structures back in again. By pursuing this course, Kloosterman and Rath argue, in reference to Esping-Anderson, that different institutional frameworks bring about various post-industrial self-employment paths and opportunity structures for entrepreneurs (2003, 8-9).[cxxii] Yet, this specific emphasis does not take away their formulations on the role of actors ("ethnic entrepreneurs") in the opportunity structures.

According to Kloosterman and Rath, the "ethnic entrepreneurs" are completely different from their "indigenous" counterparts in terms of the distribution of resources and in the way they depend on other segments of opportunity structures (2001, 191). These segments can function with small outlays of capital and low levels of education to run a shop. They are faced with barriers to the regular labor market, and hence act as survivalist entrepreneurs.[cxxiii] Moreover, the "ethnic entrepreneurs" are not constituted by static opportunity structures, and in this sense they have the capacity to alter and shape opportunities with their innovative behaviors, *à la* Schumpeter (Ibid., 192). Still, there are few innovative "ethnic entrepreneurs" that can foresee a wider market for their products/services. Hence, there are only few pioneers but a large number of followers.[cxxiv]

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For the scholars of mixed embeddedness, opportunities for these hopeful "ethnic entrepreneurs" are mostly created in the markets. According to Engelen, a conceptual map of market opportunities is substantial to illustrate the categorization of groups and individuals in their relations with structural demands and collective attributes (2001, 205-6). As a result of this understanding, Engelen (following Weber and Polanyi) treats the market as a social and historical construct with its institutions in its own right and identifies different dimensions of market construction and reconstruction (Ibid., 206-11). First, market is the object of trade, which enables a distinction of markets for material objects, human beings (slave markets), service, immaterial objects (public functions), social relations (goodwill), prestige (insurance markets), security (stocks) and labor markets. Second, it is the subjects of exchange that are constituted by different property regimes and modes of ownership. Third, the number of participants on the supply and demand sides and distribution of market power among them create the structure of market. Fourth, markets become more institutionalized with the standardization of actual exchanges. As a result of these standardized exchanges, actors are bound with the social ties that set the rules for outsiders. Fifth, it is the market place, which denotes different market activities, i.e. local bazaars, regional fairs, global capital markets, detached market exchanges and national economies.

The social embeddedness (standing for the human, social and cultural capitals) makes up another module of opportunity structures. Engelen refers to Polanyi's usage of the concept, which was employed to criticize the classical liberal understanding of self-regulating market economy (Ibid., 209). Relying on this formulation, social embeddedness is considered not only as the resources that are possessed, but also as the complex motivations and attitudes of "ethnic entrepreneurs". Thus, there is no socially disembedded market, since maximization is the main purpose for action and markets vary according to the expectations of the participants. For these scholars, social embeddedness is a mixed and gendered "network"

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composed of “co-ethnics”, other “immigrants” and “indigenous” people. These “networks” change over time and can become thicker or thinner on different spatial basis. At this point, politics and regulations emerge as the decisive factors of opportunity structures.

As the last module of opportunity structures, politics and regulations arise in relation to the dynamics of markets and social embeddedness. According to Engelen, regulation should not be confused with legislation (Ibid., 210-1). One of the distinctive features of regulation is its mode of governance, which can be formal or informal, democratic or autocratic and direct or indirect. Regulations can be undertaken by the local governments, employer associations and non-profit organizations. They do not emerge and are not put into practice as a whole; rather they are distributed among the agents considering different tasks. A regulation can also be differentiated according to its thinness, where institutions allow rational-utilitarian voluntarism, and thickness, where institutions enforce social obligations that rational individuals would not voluntarily take upon themselves. Thus, in the national regulatory regimes, markets differ according to the level of regulation that can be restricted to arbitrage, enforcement of contacts, minimum prices and labor laws. The objects of regulation constitute the most essential targets of policies. In other words, the components of exchange (struggle for exchange and struggle for price) are subjected to regulation. For example, the seller and buyer entry rules deal with the conditions of access; transaction procedure rules regulate the internal workings of the market; quality and quantity rules indicate standards to protect buyers, lower transaction costs and competition; and compensation rules focus on the breaches of contracts and other irregularities. Within this understanding, the scholars of mixed embeddedness focus on three levels. The national level constitutes the first level, since the institutions, rules, regulations and laws determine what is marketable or commodified and decommodified. Second, it is the regional/urban level, which becomes more connected with each other and is specialized in certain activities. Urban policies affect accessibility and

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growth potential of "ethnic entrepreneurs". Third, it is the neighborhoods that can be differentiated in terms of distribution of population, resources and spatial structure of markets.

Broadly speaking, the scholars of mixed embeddedness contribute to the body of knowledge on "ethnic entrepreneurship" with the case studies from "Europe". Unlike the previous approaches, they try to challenge the formulation of "ethnic entrepreneurship" as a pre-given entity by simply replacing it with "immigrant entrepreneurship". Yet, this attempt presents the notion within a more institutional perspective, since it categorizes an entrepreneurial practice in relation to the omnipresence of a spatial understanding of cultural difference and to its "indigenous" counterpart. On the other hand, the emphasis on the opportunity structures indicates clearly the impacts of Ordo-liberal understanding (influenced by Weber and Schumpeter) on an economic actor. This is an economic actor, who has the individual freedom to act within the logic of competition and is socially embedded in various laws, institutions and social "networks".

4.3 Concluding Remarks

Up until now, I attempted to explore first the features leading to the emergence of entrepreneurship as a field of study, and then the body of knowledge generated on "ethnic entrepreneurship" by scholars/experts in the US and "Europe" since the mid-1970s, through the legacies of Simmel, Sombart and Weber. In this last part of the chapter, I will focus on a specific way of thinking that has guided political rationality in Germany in imagining "ethnic entrepreneurship" since the late 1980s, based on this body of knowledge. In other words, what are features of this intellectual background that enable political rationality in Germany to reflect on "ethnic entrepreneurship"?

Considering the contributions of Simmel, Sombart and Weber, one can portray the emergence and development of the modern entrepreneur starting in the middle of the

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eighteenth century. The entrepreneur, dominantly formulated as a male figure, was above all innovator, developer, risk-taker, opportunity seeker and he was autonomous. These individuals were outside the ethical norms of the society. They were the foreigners, outsiders and strangers (Simmel and Sombart). They were also the believers, whose spirit used to be locked down in the impossibility of changing their individual destiny (Weber). Still, this modern character was able to break through the legacies of the traditional society and its norms. This was realized with the spread of principles like rationalization, calculation and utility, which were reflected in the production, consumption, development of technology, organization of firms, law, competition and practices of governing. In this way, the modern entrepreneur became one of the symbols of individual freedom.

However, as Simmel, Sombart and Weber emphasized, freedom of behavior was only one side of the coin in the development of a capitalist form of economic organization and formulation of the entrepreneur. Spread of rationalization, calculation and utility also brought various control mechanisms, range of interventions and limitations to guarantee the production, consumption, development of technology, rule of law and competition in the liberal regime. The extent of these controls and interventions made it so that the development of capitalism inevitably had to display policies and tendencies against the ideal understanding of *laissez faire* (e.g. strict custom restrictions, more rigid wage levels, spread of public firms, anti-trust measures to prevent monopolistic firms and control of prices and increased fiscal pressures). The spread of controls and interventions (particularly between the 1930s and the 1960s) made them the constitutive part of general political formulations.

Interestingly, these policies were undertaken with a particular purpose, i.e. freedom for each and all. Freedom was able to exist only with the systems of regulations, constraints and interventions (Foucault 2008a, 65-7). These interventions and regulations were put in place to protect the interests of the individual as well as for collective interest. They were

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implemented to keep away danger for the individual and collective. Some of the crucial examples of these dangers were the "disintegration" of the family (considered as one of the core motives for the entrepreneurial spirit), decline of entrepreneurial function and weakening of savings and long-term investments (that were crucial for banks and functioning of credit mechanisms).

In the context of Germany, the expanded interventions and regulations were going to be related with the political rationalities in the Weimar Republic, crisis of 1929, emergence and development of National Socialism, rule of Nazism and post-war reconstructions. The interventions were considered the collapse/failure of democracy, liberal understanding and its political rationality, since they were not able to prevent various crises, stagnations, depressions and war. For example, Schumpeter, as an economist who had been examining the future of capitalism since the late 1920s, was going to call the intensification of these interventions and following crises the transformation from non-regulated capitalism to regulated capitalism. According to Schumpeter, the crises were the result of anti-capitalist policies, and hence, had socio-cultural and political grounds rather than economic ones (1986, 727-48). The socio-cultural and political causes were the weakening of the bourgeoisie (in terms of its life ideals, family norms and social functions of the entrepreneurial spirit), conditions hostile to the liberal capitalism (especially the role of the intellectuals) and policies on social expenditure, taxation, labor market and industrial relations (Schumpeter 2003, 131-42 and 145-55). The mentality of capital and its accumulation were not contradicting themselves from an economic point of view. Within this perspective, the monopolistic and oligopolistic forms were not inherent in the economic processes of competition. Rather, they were related to the social results of competition. They could lead to high prices and restrictions in production in the short term. But in the long run, they could have a dynamic function and could create new techniques, goods, sources and

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organizational forms for the development of entrepreneurship.[cxxv] However, these concentrations and interventions could not be avoided by capitalism. This process would pave the way for a socialist order, in which central authority would become the decision making center in different spheres of the economy (Schumpeter 2003, 296-302).[cxxvi]

Similar to Schumpeter, as Foucault underlined, Ordo-liberals[cxxvii] (influential on the principles of economic policies in the context of German post-War liberalism) considered the monopolistic concentrations and ongoing interventions as social consequences of competition (2008a, 134-7 and 176-8). In other words, the crises, stagnations, depressions and war did not come into existence because of the functioning market economy. They were the consequences of anti-liberal policies. Yet, unlike Schumpeter Ordo-liberals believed that tendencies towards centralization could be dealt with through necessary interventions. This thought was derived from the logic of non-intervention in the sense that external processes (not the economy itself) should be prevented from inventing monopolistic forms. This was a shift from the traditional liberal doctrine of the eighteenth and nineteenth centuries (Ibid., 118-21). It was a shift in the understanding of market from exchange to competition. In the former, the state was supposed to control the running of the market, not to intervene in the market. State authority was called only to acknowledge private property for production. In the case of the latter, by stressing the principle of competition, Ordo-liberals aimed to indicate that there is a naturalistic conception of the market, which the state is supposed to respect.

According to the Ordo-liberals, competition constituted the conditions for the formalization of the market, but in the same way competition as an economic logic would be able to exist under certain conditions.[cxxviii] Hence, both market and competition were not pre-given entities. They had to be guaranteed by certain measures. Governmental policies and market mechanisms were not mutually exclusive categories. They constituted each other. The

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practices of governments could engender the room for the mechanism of market and competition. That is to say that capitalism could exist under certain conditions. It could be determined by different economic and institutional variables and options. Capitalism, for Ordo-liberals, did not exist naturally. For this reason, it was always an object of political regulation and social intervention as the economic policies of Bismarck, Weimar Republic and National Socialism had explicitly demonstrated.[cxxix] This understanding (that capitalism is an economic and institutional entity and can be altered politically) formed the basis of political rationality and various economic activities in Germany since the end of World War II.

Even though the development of this social market economy principle was not linear (before and after the 1970s or even during the 1980s and 1990s), and has always been subject to the treatment of various governments, its core gave the ground for a common political rationality. This core derives from a way of thinking that economy, particularly economic prosperity, development and growth, generates legitimacy for the state, which is the guarantor of it (Foucault 2008a, 84-5). The economic growth will aim to provide for the general well-being of all and each. It will lead towards a consensus of the population on the state. It will become the source for the functioning of political rationality. The production of well-being by economic growth will form the basis of a mechanism that moves from economic institution to the population and in turn to the consensus of population about the state.

Within this path, according to Foucault's interpretation of Ordo-liberals, social policy emerges as the terrain to create the historical conditions for the market (Ibid., 142-6). Social policy, as formulated by the Ordo-liberals, does not intend to bring equal access to the consumer goods or to guarantee individuals against the risks in the society. In this sense, it is different from the Bismarckian social policy of the nineteenth century and Keynesian

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economics that were implemented in the "European" countries during the 1950s and 1960s. It does not aim to bring a counterbalance to the destructive impacts of economic liberty. It seeks neither to distribute economic wealth equally nor to achieve full employment. On the contrary, it is about individualization through social policy, which depends on the principle of private property and privatization. Policies should only provide individuals the necessary ground to protect themselves against the risks or improve their well-being, rather than doing it directly. In order to regulate the society, the policies should not intervene in mechanisms of competition or the market. Therefore, political rationality can intervene and develop social policies to achieve a society of competition and enterprise (Ibid., 147-50 and 240-3). This does not mean to encourage a society of mass production and consumption under the impact of large-scale enterprises. Rather, this is a society whose basic units (e.g. families, insurance, work environment, schools, universities, hospitals, retirement, local governments, social groups and the natural environment) have the form of an enterprise. An enterprise which is not homogenous, hierarchic or centralized, but of different forms and is found at various levels. This is a society where the mechanisms of competition/market and enterprise have become part of the social ethics.

A society oriented towards enterprise necessitates an order that can be maintained within the system of law and juridical institutions. For the Ordo-liberals, it is the juridical framework that sets up the norms (e.g. property ownership, competition, banking, credits, production, commerce, formation of cartels, consumption and taxes) since mechanisms of competition and market do not exist naturally. The juridical order gives shape to the economic framework. It can be said (in reference to the formulations of Simmel, Sombart and Weber) that the relation between society and economy is provided by the system of law and juridical institutions. The possibilities of existence and functioning for the economic processes depend on the conditions that are granted by a set of rules. Thus, there is a complex

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economic-juridical form, where they constitute the survival of each other. For Ordo-liberals, this is also the point to indicate that capitalism does not contradict within itself as an economic thought and that competitive market society is possible. It is possible because it is an order. It is a regulated economic order in the sense that terrains of economic practices and juridical frameworks cannot be separated. In this context, it is possible to intervene in order to avoid the anti-liberal policies. The intervention is not directed at the mechanisms of market and competition, but to the conditions or institutions that aim to keep the laws of market and competition untouched. This intervention is a legal one that aims to avoid the centralization in the modern society. According to Foucault, in reference to Friedrich August von Hayek (1899-1992), this is the principle of *Rule of law* in the economic order (Ibid., 172-4). It is the opposite of planning, e.g. economic planning, which has an aim, precise and definite economic ends, a possibility of corrections, public authorities as the source of decisions and knowledge in the economy order. The *Rule of law* in the economic order does not go after a particular goal. It continues to be formal in the economic processes. It remains as a set of fixed norms and cannot be corrected considering the impacts of economy. Economic agents can act freely in this fixed legal framework and public authorities are obliged to the law just like everyone else. There is no universal subject of economic knowledge. Economy is a game, and legal framework sets the rules in which state and individuals take part, without having the power to decide on behalf of others. A society oriented towards the enterprise form is the only agent that is internally shaped by the juridical institutions under state's assurance.

Consequently, the emphasis on the entrepreneurial form and reformulation of juridical institutions as the terrains of social policy marked the importance of Ordo-liberals for the constitution of modern German policy. These analyses asserted the possibility of competition and market mechanisms (being untouched) as the driving forces of the society with the

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combination of law and institutional forms/interventions by the public authorities. In this sense, it was a response to the paradoxes (freedom and control in modern capitalism) of classical and neo-classical economy theorists and social economists like Simmel, Sombart and Weber. Economic agents pursuing interests (of each and all) are free to act within the logic of competition and hence form an enterprise society. By doing this, these individuals do not disassociate themselves from the society. On the contrary, they are socially embedded in the society through institutions and framework of law (guaranteed by the state).

This is the point where the formulations of Ordo-liberals cannot be considered to be a mere reply to the past experiences in Germany or as a policy trajectory for the 1950s and 1960s. These formulations, on the one hand, shaped the policies of different governments since the middle of the 1970s, especially during the 1980s and 1990s. In 1989, Helmut Kohl explicitly underlined the legacy of these formulations.

> Ladies and gentlemen, the last forty years have shown that our free and socially responsible economic order is able like no other to tackle and overcome new challenges. This is because the social market economy is an open and forward-looking economic system in which the people can freely develop. For Ludwig Erhard, the idea of the social market economy was not a static concept. He considered it a task that would never be totally completed. And he left us this as our inheritance, as a task, as a perpetual challenge…The Federal Republic of Germany was founded on the desire for freedom. It had a decisive influence on the last four decades. Freedom, which also includes responsibility! The two must accompany each other in private life, in society, and in the relationship of our people to other countries. Today the desire for freedom is more alive worldwide than ever before. This gives me confidence that the liberal principles of our economic and social order belong to the future. (Kohl 1989, 987)

On the other hand, these formulations had a huge effect on different studies and hence knowledge production (as the basis of social policy construction) on the relations between economy and society. It is within this historical intellectual background that one can interpret the emergence and development of studies concentrating on "ethnic entrepreneurship". In other words, within Germany, "ethnic entrepreneurship" is one of the reflections of Ordo-liberal understanding on social market economy. It belongs to the realm of social policy,

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since it refers to a society oriented towards an enterprise form. Although it has diverse explanations throughout time and space, the "ethnic entrepreneur" (according to this body of knowledge) is supposed to represent an economic agent, who has the individual freedom to act within the logic of competition, and is socially embedded in various laws, institutions and social "networks". This is based on a way of thinking that associates a space with a pre-given identity (where this relation, or just its existence, is considered natural) and hence functions as a mechanism of othering.

Endnotes:

[xci] In the "European" continent, etymologically, the word entrepreneur means to undertake and comes from the French verb entreprendre; entre in Latin meaning between, and prendre meaning to take. In French a person who performs an action, has the ending of the verb changed to eur, and entrepreneuse is simply the French feminine counterpart of entrepreneur.

[xcii] For detailed formulations of Richard Cantillon on the entrepreneurship, see Antoin E. Murphy, *Richard Cantillon, entrepreneur and economist*, (New York: Oxford Univeristy Press, 1986).

[xciii] In a series of lectures at the Collège de France, entitled *Security, Territory and Population* (January 1978-April 1978) and *The Birth of Biopolitics* (January 1979- April 1979) Foucault studied the art of governing. He implemented this perspective into four historical spheres: the nature of government and idea of government as pastoral power in Greek philosophy, but mostly in antiquity and early Christianity; doctrines of government with the idea of *raison d'État* (reason of state) through mercantilism, diplomatic-military system and police (being the technological assemblage characteristics) from the sixteenth century until the middle of eighteenth century; beginning of liberalism from the middle of eighteenth century; and lastly neo-liberal thought considering the post-war period in Germany, France and the USA.

[xciv] Generally known as *les economists*, the French physiocrats developed their analyses during the middle of the eighteenth century. Among its better-known members were François Quesnay, the Marquis of Mirabeau, Pierre-Paul Mercier de la Rivière and Pierre-Samuel Dupont de Némours. Physiocracy means the government of nature. For physiocrats, there were natural laws in governing the society, just like the ones in the physical world. As long as the society organized in reference to the natural laws, the individual and collective well-being could be developed. In this sense, the law of property as a feature of natural law was considered by the physiocrats an important element to foster the pursuit of individual interests and hence the collective wealth. They underlined the necessity to free agriculture from feudal constraints, liberalize commerce and establish a fiscal system through a single tax. For a more detailed analyses see, H. Higgs, *The Physiocrats: Six Lectures on the French Économistes of the 18th Century*, Kitchener: Batoche Books, 2001.

[xcv] 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. See E. Bonacich and J. Modell, *The Economic Basis of Ethnic Solidarity in the Japanese American Community*, Berkeley: University of California Press, 1980, 45. However, some further definitions are made to reflect different aspects of the ethnic economy. For example, Light and Gold (2000, 11-24) have underlined three distinctions within an ethnic economy. 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. 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. 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. This power derives from their numerical clustering, numerical preponderance, their organization, government permissions or all of them. In this ethnic-

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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.

[xcvi] The theories of classical economics were developed not only by the physiocrats but also by Adam Smith (1723-1790), David Ricardo (1772-1823), Thomas Malthus (1766-1834) and John Stuart Mill (1806-1873).

[xcvii] During the 1800s economic development and spread of the market led to differences between various territories. The transformations in the countryside and extreme difficult living and working conditions of the working class paved the way for a more clear declaration of the outlines of "social question" . In this framework, the classicial economists were questioned by the German historicists because of their abstractions of the theoretical schema. German historicists underlined the need for a better account of the actual reality and hence the historical method. According to them, such a historical method should look at the territorial differences in the capitalist development by focusing on the influence of non-economic factors. Hence, interaction between cultural, social and political factors and economic variables should be analyzed to clarify the forms of economic organization.

[xcviii] Broadly speaking, in order to improve the value theory of classical economic theory, which was calculated according to the cost of production, neoclassical school worked on the marginal theory of value and different utilities of the product. In this sense, the perceived value of a product by the consumer defines the utility of a product and actions of an individual to increase the satisfaction from a product via calculating the alternatives constitute the basis of marginalism within economics. This attempt to contribute to the value theory was mainly a reaction to Marx's critique of labor theory of value, which was created by the classical school. While Marx underlined that both exchange-value and use-value are directly related to the amount of labor embodied in commodity, the neoclassical school focused on a formulation of subjective real cost that derives from a psychological perspective of utility. That is to say that the social classes being the foremost components of capitalist society as an argument of the classical school was replaced by an understanding of society that is built upon the individual. According to the neoclassical school, the society is based on the atoms, i.e. individuals, which determine the value of an object considering the personal needs and perceptions. For some general approaches to the Neoclassical School, see X. Yang, *Economics: New Classical Versus Neoclassical Frameworks*, Oxford: Blackwell Publishers, 2001; Y.Murakami, *An anticlassical political-economic analysis : a vision for the next century*, California: Stanford University Press, 1996; Y. P. Yonay, The struggle over the soul of economics: institutionalist and neoclassical economists in America between the wars, New Jersey: Princeton University Press, 1998.

[xcix] The influential theorists in the Neoclassical School were from various countries, e.g. Germany, Austria, England, France, Sweden, Italy and United States. J.H. von Thünen (1783-1850), H.H. Gossen (1810-1858), A.A. Cournot (1801-1877), J. Dupuit (1804-1866), C. Menger (1840-1921), F. von Wieser (1851-1926), E. von Böhm-Bawerk (1851-1914), W.S. Jevons (1835-1882), P.H. Wicksteed (1844-1927), F.Y. Edgeworth (1845-1926), A. Marshall (1842-1924), A.C. Pigou (1877-1959), J.G.K. Wicksell (1851-1926), G. Cassel (1866-1945), B. Ohlin (1899-1979), J.B. Clark (1847-1938), I. Fisher (1867-1947), L. Walras (1834-1910), V. Pareto (1848-1923) and J.R.Hicks (1904-1989) can be listed as some of the essential theorists in the Neoclassical School. However, one cannot consider the Neoclassical Economists as a homogenous and unchanging school of thought. Antoine Augustin Cournot, Jules J. Dupuit, Johann H. von Thunen and H. Heinrich Gossen were mostly named as Proto-Marginalists during the middle of the nineteenth century. However, the years between 1871 and 1874 were regarded as the initial conceptualization of diminishing marginal utility as the basis of a theory of exchange. In this sense, William Stanley Jevons, Carl Menger and Léon Walras were seen as the Revolutionaries within this school of thought. Towards the end of the century, the contributions of Eugen von Böhm-Bawerk , Friedrich von Wieser , Alfred Marshall , John Bates Clark , Irving Fisher, Knut Wicksell, Philip H. Wicksteed, Vilfredo Pareto and Enrico Barone dominated the school. Last but not least, from the 1930s until the end of the World War II, figures like John Hicks, Harold Hotelling, Oskar Lange, Maurice Allais and Paul Samuelson became influential with the Paretian revival, introduction of ordinal utility and solidification of the Neoclassical theory of value.

[c] This approach is mostly related to the substitution principle, i.e. variation of proportions. The analysis is based on the alternative possibilities among which the consumers and producers can choose. That is say that the alternatives at stake are open and decisions are reversible. Moreover, the methodological individualism dominates the economic science and hence the knowledge of the properties of a system derives from the knowledge of the properties of its elements. The basis of this methodological individualism is the subjective theory of value, in which a process of choice dominates the economic laws.

[ci] Arguing against Sombart, Becker underlined that other ethnic groups such as Scots, Chinese, Parsis and Armenians can also be associated with commercial success and thus the middleman status is not unique to Jews (Zenner 1991, 7).

[cii] See H. M. Blalock, *Toward a Theory of Minority Group Relations*, New York: John Wiley, 1967.

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[ciii] In the scope of middleman minority theory Weber's pariah capitalism is also one of fashionable reference points. Weber's modern rational capitalism is a combination of unique organization of labor and corporate structure and it can be founded in the universalistic economic ethic of the Puritans. See, M. Weber, *Sociology of Religion*, Boston: Beacon Press, 1963. On the contrary, pariah capitalism is rooted in the dualistic ethic of Judaism, in which consumer credit, irrational speculation and accumulation of booty become the dominating forms. On pariah capitalism, see J.P.L.Jiang, "Toward a Theory of Pariah Entrepreneurship," in *Leadership and Authority*, G.Wijeyewardene (ed.), Singapore: University of Malaya Press, 1968, 147-162. The ritual segregation, dual ethic in business and ritual obligations as the goals of Judaism differentiate it from the universalistic economic ethic of Puritanism. In Weber's formulation, for Puritans, economic activity is a religious vocation, in which duty rather than honesty is the best policy. This leads to the rational treatment of all people and makes economic activity as a religious calling to one's life, which is the missing component in Judaism and hence pariah capitalism.

[civ] Her approach, being part of a revival of Marxist thought during 1970s, is based on the assumption that several labor markets divide the working class of capitalist societies into equally conflicting segments. In this framework, she includes middleman minorities and split labor market theories into the broader category of class theories of ethnicity; other three theories being the nation-building, super-exploitation and nation liberation. For Bonacich, 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. The uneven development of capitalism in the world creates "underdevelopment" for particular "nationalities" and inevitably workers of these nations become cheap labor. As a result of this, the dominant group of capital and labor struggle with each other over the cheap labor of "underdeveloped" group. While capital tries to exploit ethnic minorities, the dominant group of labor attempts to prevent the use of cheap labor because of their threatened status in the labor market. Therefore, minority workers confront two distinct types of racial-national oppression, one deriving from capital and other form labor. Depending on the same class approach to ethnicity, Bonacich argues that the mobilization of resources through the bonds of ethnic loyalty enables the ethnic elite to minimize the class division of the ethnic group. The cheap labor, which is obtained via ethnic mobilization, threatens the dominant business and working classes and also produces racist reactions to the middleman minorities. On the other hand, the creation of antagonism between two ethnically distinct subordinate classes helps to keep the bourgeoisie in power. For a detailed discussion on split labor market see; Edna Bonacich, "Class Approaches to Ethnicity and Race," *Insurgent Sociologist*, 10 (2), (1980): 9–23 and "A Theory of Ethnic Antagonism: The Split Labor Market," *American Sociological Review*, 37, (1972): 547-559.

[cv] J.W. Goethe's (1749-1832) Faust (The Tragedy Part II) seems to represent this idea of entrepreneur before the analysis of Simmel. See J.W. von Goethe, *Faust: Part 2*, trans. by P.Wayne, London: Penguin Classics, 1960. According to Marshall Berman, in the Acts Four and Five, Faust is going through his third and final metamorphosis. See M.Berman, *All That is Solid Melts into Air: The Experience of Modernity*, London: Verso, 1983, 60-71. In the first phase, Faust is alone and dreamer (Ibid, 41-50). In the second phase, he is the lover and learns to love (Ibid, 51-60). In the final phase, he is the developer.

> ...Now, in his last incarnation, he connects his personal drives with the economic, political and social forces that drive the world; he learns to build and destroy. He expands the horizon of his being from private to public life, from intimacy to activism, from communion to organization. He pits all his powers against nature and society; he strives to change not only his own life but everyone else's as well. Now he finds a way to act effectively against the feudal and patriarchal world: to construct a radically new social environment that will empty the old world out or break it down... (Ibid, 61).

[cvi] For some other aspects of disadvantage theory also see, R.L.Boyd, "A Contextual Analysis of Black Self-Employment in Large Metropolitan Areas, 1970-1980," *Social Forces*, 70(2), (1991): 409-429; R.L.Boyd, "Residential Segregation by Race and the Black Merchants of Northern Cities during the Early Twentieth Century," *Sociological Forum*, Vol. 13, No. 4., (1998): 595-609; R.L.Boyd and X.Xu, "Did Retail Enterprise Among White Immigrants Benefit from the Residential Segregation of Blacks? A Study of Large Northern Cities in the Early 20th Century," *Social Science Quarterly*, Volume 84, Number 4. (2003), 934-45.

[cvii] For a detailed analysis of these three phases of capitalism and their differences from feudal and artisan economies see; W. Sombart, (1916) 1922 *Der moderne Kapitalismus*, Berlin: Dunker & Humblot.

[cviii] Here one can notice the influence of Marx's *Capital* and Simmel's *Philosophy of Money* on Sombart in the presentation of an abstract system, see C. Loader, "Puritans and Jews: Weber, Sombart and the Transvaluators of Modern Society," *Canadian Journal of Sociology*, 26 (4), (2001), 641.

[cix] Heretics referred to the individuals who did not belong (de jura or de facto) to the state religion. Jews, Protestants living in Catholic countries, Catholics living in Protestant countries and Protestants that did not belong to the state Church were the most known groups.

[cx] For a comparison of Sombart's conceptualization of Jews and Weber's conceptualization of Puritans in the development of entrepreneurial activities; see Loader (2001).

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[cxi] According to Sombart, the end for this negotiation is to convince the potential consumer of the superiority of a set of goods. This distinguishes the trader from his predecessors because of the advertising techniques that are applied. It is

> "…the weapon with which the trader fights. No longer does he dwell in fortified towers, as did his precursor in Genoa in the days of Benjamin of Tudela, nor does he wreck the houses of the natives with his guns if they refuse to "trade" with him, as did the early East India settlers in the 17th century." (Ibid., 118)

[cxii] Dual labor market theory emerged in the late 1960s to explore the persistent inequalities in employment. With the monopolistic tendencies in different industries, certain distinctions emerged to characterize the structure and functioning of firms in the capitalist economies. According to the theory, the center firms, seen as the main actors in monopolistic tendencies, make full use of economies of scale and form the productive organizations that are geographically dispersed and vertically integrated. These firms control their sources of supply in technology, raw materials and markets. On the other hand, they dominate the market via oligopolistic pricing and shape the consumer tastes with mass advertising. In order to prevent unforeseen events in the market, these firms also generate large cash reserves and try to stabilize their labor force through internal markets. As a consequence of this, they agree for a labor-capital harmony, in which protected unionized sectors can guarantee stable employment, high wages, good working conditions and mobility opportunities. This paves the way for the emergence of primary labor market. While the primary labor market can be matched to the core economy, secondary labor market is often associated with the periphery. Because of their market power, core industries are able to produce greater material rewards and incentives through skilled workers and labor stability. On the contrary, periphery industries have to face with more competition and focus on their costs. These periphery industries are also distinguished with low wages, bad working conditions, few mobility opportunities and high turnover. For some details on dual labor market analysis considering the ethnic enclave economies see K.L. Wilson and A. Portes, "Immigrant Enclaves; An Analysis of the Labor Market Experiences of Cubans in Miami", *AJS*, Volume 86 Number 2, (1980): 295-319.

[cxiii] The German Historical School can be divided into different parts, i.e. Georg W.F.Hegel (1770-1831), Friedrich Carl Savigny (1779-1861), Adam Müller (1779-1829), Daniel Raymond (1786-1849), Friedrich List (1789-1846) being the Romantic roots of German Historicism, Wilhelm G.F. Roscher (1817-1894), Bruno Hildebrand (1812-1878), Karl Knies (1821-1898) forming the early German Historical School, Gustav von Schmoller (1838-1917), Georg Friedrich Knapp (1842-1926), Ludwig Joseph (Lujo) Brentano (1844-1931), Ernst Engel (1821-96), Karl Bücher (1847-1930), Adolph H.G. Wagner (1835-1917) being the Younger German Historical School, and Werner Sombart (1863-1941), Arthur Spiethoff (1873-1957), Max Weber (1864-1920), Alfred Weber (1868-1958), Karl Polanyi (1886-1964) being the generation of German Historical School. Although there are differences between the old and new Institutionalists, their emphasis was on the importance of historical, social and institutional factors in the formation of economic laws.

[cxiv] Walter Bagehot (1826-1877), Thomas E. Cliffe Leslie (1825-1882), John Kells Ingram (1823-1907), James Edwin Thorold Rogers (1823-1890), Arnold Toynbee (1852-1883), William Cunningham (1849-1919), John A. Hobson (1858-1940), William J. Ashley (1860-1927), Richard H. Tawney (1880-1962) and Fabian Socialists; namely, Sidney James Webb (1859-1947), Beatrice Potter Webb (1858-1943), George Bernard Shaw (1856-1950), Graham Wallas (1858-1932), G.D.H. Cole (1890-1959), H.G. Wells (1866-1946), William H. Beveridge (1879-1963), Richard H. Tawney (1880-1962), Harold J. Laski (1893-1950), are some of the well-known English Historicists.

[cxv] According to Weber, the other ascetic branches of Protestantism were Pietism, Methodism and the Baptist Sects (Ibid., 128-155).

[cxvi] Predestination, as one of the features of Calvinism, underlined the idea that God created the world and it is impossible to know one's destiny after death. Some individuals would be saved, others would be condemned and in this sense destiny of the individuals could not be changed.

[cxvii] For a detailed discussion of these conditions see M. Weber, *Economy and Society*, Berkeley: University of California Press, 1978, especially chapter II in the first part of the Volume I; chapters I, II, III and IV in the second part of the Volume I; Chapter VIII in the Volume II; also M Weber, *General Economic History*, New Jersey: Transaction Publishers, 2003, especially chapters XXII, XXIII and XXIX.

[cxviii] In the process of residential succession, the "native entrepreneurs" seek business opportunities outside the local area, since they do not replace themselves in this area. As a result of this vacancy, the potential "ethnic entrepreneurs" start to compete at the neighborhood level. In the occupational succession, the petite bourgeoisie does not reproduce itself and tries to recruit owners from lower social classes. In this sense potential "ethnic entrepreneurs" emerge as the most enthusiastic population since the heirs are unwilling to take up their parents' modest enterprises.

[cxix] For example, the elite sponsorship of middleman minorities is considered as a characteristic of traditional, state-building and colonial contexts in reflecting the importance of government policies.

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[cxx] Although Aldrich and Waldinger (1990) refered to Light's distinction of class and ethnic resources and even if they mentioned the over-emphasis by the researchers on ethnic component in resource mobilization, they did not aim to develop on class resources. Rather they explained the ethnic resources in detail.

[cxxi] Initially, the scholars of mixed-embeddedness tried to replace the notion of "ethnic entrepreneurship" with "immigrant entrepreneurship" to prevent the assumption of taking ethnicity as a pre-given category and of taking "immigrant" populations as "ethnic" groups. The replacement of "ethnic" with "immigrant" was also an attempt to indicate the differences of institutional contexts in the US and "Europe". In other words, it was a reformulation of the concept with an institutional account. Kloosterman (2000) provides the institutional context depending on two models; i.e. neo-American and Rhineland. In the neo-American model, government's intervention in socioeconomic spheres is limited and emphasis is on the creation of large number of jobs. The problem of "immigrants" is not to find jobs that are poorly paid and unprotected, but to find jobs corresponding to their skills. Being unable to find jobs corresponding to their skills, "immigrants" choose to be self-employed, through which they hope to earn more than as employees. Thus, "immigrant entrepreneurship" becomes economically and professionally more satisfying than a working poor. In the Rhineland model, state interventions guarantee the labor protection in the highly regulated economy. To create a job, employers have to assure not only the minimum wage level but also health and unemployment benefits. Providing a job becomes more expensive than the US. The scarcity of job creation leads to a significant level of unemployment, from which "immigrants" emerge as the most affected group because of the exclusion in the labor market. The skilled "immigrant" workers seem to be fortunate and do not intend to become an entrepreneur. But, those that are not able to find jobs with decent wages and unemployment/health benefits intend to open up their businesses instead of suffering from long-term unemployment. See R. Kloosterman (2000) "Immigrant Entrepreneurship and the Institutional Context: A Theoretical Exploration," in J.Rath (ed.), *Immigrant Business. The Economic, Political and Social Environment*, Houndmills: MacMillan, 90-106.

Yet, replacing the notion of "ethnic" with "immigrant" and underlining the distinct institutional contexts of US and "Europe" do not enable mixed-embeddedness approach to generate something completely different from the approaches of middleman minorities, disadvantage, ethnic enclave and interaction. Mixed embeddedness is just a reformulation within the "European" context bearing in mind the differences in terms of immigration histories. The emphasis on sending countries' political, economic and social conditions and their affects on "immigrants" are substituted with receiving countries' political, economic and social environment and their influence on "immigrants". It is another a priori categorization of "immigrants" as "ethnic" groups. For the sake of brevity, "ethnic entrepreneurship" will be used in the rest of this chapter baring in mind its replacement with "immigrant entrepreneurship" by the scholars of mixed embeddedness.

One of the most explicit examples of this understanding is presented in the analysis of garment industry in Paris, London, West Midlands, Amsterdam, New York, Miami and Los Angeles. See J.Rath ed., *Immigrant Business: The Economic, Political and Social Environment*, Houndmills: MacMillan, 2000. In the chapter on Amsterdam, in order to identify the characteristics of entrepreneurs and workers Raes et al. (2000) make a list of top 10 nationalities of contractors in the garment industry; namely, Turkish, Dutch, Egyptian, Moroccan, Indian, Pakistani, French, British, Iranian and Cyprus. See S. Raes et al. (2000), "Amsterdam: Stitched up," in in J.Rath (ed.), *Immigrant Business. The Economic, Political and Social Environment*, Houndmills: MacMillan, 89-111. Two points are extremely crucial in examining their analyses. On the one hand, they never deal with an examination of Dutch, French, British and Cypriot, i.e. citizens of European Union countries, contractors. That is to say that, citizens of 25 European Union countries, and if we go one step further and include the citizens of European Economic Area (Norway, Lichtenstein and Iceland), will never be identified with "ethnic entrepreneurship" even if they engage in businesses in countries other than their "homelands". On the other hand, they make a sub-categorization for Dutch, French and British contractors by giving the number of "immigrants" after naturalization. This means, for example, that a person, who has a Dutch citizenship and an "immigration background" no matter which generation he/she is from, will be labeled with "ethnic entrepreneurship". As this example indicates, the methodological and theoretical arguments of mixed-embeddedness end up not only with a priori categorization of "immigrants" as "ethnic" groups, but also with euro-centrism. Without doubt, this prior ontological difference between cultures is propped up by a state of mind that takes culture as the constitutive part of collective rights to self-determination and combines it with the will to secure the survival of cultural differences.

[cxxii] In this manner, they address two issues. First, the national institutional framework has an impact on the division between market, public and familial conditions. For example, in cases of large public sector taking care of all ranges of low wage activities and large familial domain, the capacity of small businesses is relatively small. Yet, it is the opposite when the market becomes the main supplier of all household and municipal services. For the scholars of mixed embeddedness, this is related to legal minimum wage. The high legal minimum wage in a strong welfare system weakens the profitability of the market conditions of labor-intensive low-value added services. In this situation, the public sector, family or informal provisions may not be provided

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at all. Relatively high legal minimum wages may also affect the low-value-added manufacturing industry that is related to large consumer markets. Since these institutions diverge from country to country, the extent to determine the opportunity structures for small businesses takes different forms. Second, a set of formal and informal institutions has the capacity to control the environment for small businesses and accessibility for "ethnic entrepreneurs". This set of institutions may determine the requirements to start a business, exclusionary rules and financial resources. In this manner, they are the instruments of constraining and enabling. Therefore, mixed-embeddedness takes into consideration the characteristics of the supply of "ethnic entrepreneurs", the form of opportunity structures and institutions arbitrating between desiring entrepreneurs and specific openings to analyze different national contexts.

[cxxiii] In addition to this general understanding, the scholars of mixed embeddedness also pay attention to the emergence of another actor. These are basically high skilled "ethnic entrepreneurs" that are establishing their business in the still less-developed economies, e.g. software specialists, and are becoming prominent with the development of their global networks. See M.W.H. Leung, "Get IT Going: New Ethnic Chinese Business. The Case of Taiwanese-owned Computer Firms in Hamburg," *Journal of Ethnic and Migration Studies*, Vol. 27, No. 2. (2001): 277-94.

[cxxiv] Considering the notion of innovativeness and "breaking out" in reference to "ethnic entrepreneurs", there is a debate among the scholars of mixed embeddedness. When an "ethnic entrepreneur" attempts to set up a business with a non-ethnic clientele, this is seen as "break out" in the approaches middleman minority, disadvantage, ethnic enclave and interaction. In reaction to this, Jones et al. propose a kind of geographical market hierarchy, in which business strategies can also be differentiated according to whether they focus on local markets or not. See T. Jones, G. Barrett and D. McEvoy, "Market Potential as a Decisive Influence on the Performance of Ethnic Minority Business," in J.Rath (ed.), *Immigrant Business. The Economic, Political and Social Environment*, Houndmills: MacMillan, 2000, 37-53. Yet, Engelen (2001) criticizes this new typology and argues that it assumes the effects of "breaking out" for the process of breaking out itself. See, E. Engelen, "Breaking in and Breaking out: A Weberian Approach to Entrepreneurial Opportunities," *Journal of Ethnic and Migration Studies*, Vol. 27, No.2, (2001), 212-213. He tries to put a more extensive map of "break out" strategies in reference to economist and management guru Michael Porter's competitive strategies.

At this point, the level of competitiveness is seen as a combination of the number of actual and potential competitors, relations with suppliers and buyers and availability of substitutes. Although the barriers to enter the mainstream market are crucial, it is not enough to overemphasize them, since "ethnic entrepreneurs" function disproportionally in low threshold markets. These barriers are economies of scale, product differentiation, high capital requirements, high switching costs, access to distribution channels and government policies. Hence, competitiveness is highest, when there are no economies of scale, product differentiation is minimal, capital requirements are low, switching costs are limited and government regulation is small.

In order to overcome the barriers in the market, Engelen underlines Porter's formulation (Ibid., 214-5). First, firms can achieve new market niches by creating new products, introducing new product mixes and introducing old products at new locations, in order to increase the level of product differentiation or to lessen the level of substitutability. Second, firms can develop process strategies in two ways. On the one hand, they can cut the costs either through labor replacement investments or by downgrading tasks as two instruments of neo-Taylorist strategies. On the other hand, they can augment the quality of product range by keeping the organization simple and turning the jobs into challenging and complex forms and hence to break out with the logic of Taylorism. Third, firms can focus on marketing strategies and try to reduce risks and develop consumer loyalty via means of emotional value or affective benefits, which has to be supported by detailed data gathering and processing of consumer preferences. Fourth, the gap between closing of transaction and actual delivery should be reduced for the competitive advantage and time-span should be extended regarding the sales and distribution. Also spatial strategies, i.e. the relocation of firms to more satisfying markets, temporal strategies, i.e. modification of selling and production hours, and modality strategies, i.e. take away services, e-commerce, tele-sale and post-order deliveries, should be separated from each other. Fifth, firms have to be able to redraw their boundaries juridically (integration) and functionally (co-operation). Firms can lessen competitive pressure by horizontal integration, i.e. by getting rid of competitors and increasing entry barriers, and vertical integration, i.e. by increasing and decreasing value-added chain, both of which can provide economies of scale, greater bargaining power and political influence. On the other hand, co-operation occurs not only among competitors or within value-added chain, but also defensive or offensive. While defensive co-operation attempts to diminish competition via price agreements, production quotas, negotiable market shares and etc., offensive co-operation aims to maintain the informal, technological and organizational environment for qualitative purposes.

[cxxv] According to Schumpeter, entrepreneur can be someone, who carries out new combinations and loses that character as soon as a business is formed to run it (1991). The characteristics of entrepreneur are related to his theory of development and therefore are defined as the only bearers of mechanism of change. In addition to this, it is the entrepreneur, who receives goods from social stream before contributing anything into it. That is to say,

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the entrepreneur becomes the debtor of society, who receives credit as a result of his/her productive forces that are necessary for the economic development. For some further arguments, see Kwiatkowski, 2004, 205 and also J. Schumpeter, (1991) "Social Classes in an Ethnically Homogenous Environment," in *The Economics and Sociology of Capitalism*, R. Swedberg (ed.), Princeton: Princeton University Press, 1991.

This basic formulation derives mostly from his reference to innovation in defining the entrepreneurial function. The entrepreneurial function, i.e. innovation according to Schumpeter, is the introduction of a new combination of the factors of production together with credit, which can interrupt the stationary equilibrium of the circular flow of economic life and shift into a new level. This gives the entrepreneur a revolutionary character since he /she is able to change the conditions of supply, combine the existing resources in different ways and create a new production function. He also highlights that the entrepreneur profits from the rationally based components of the environment and directs his/her conduct to rational values. Since entrepreneurial innovation, as a creative function, separates itself from the rigid standpoint of calculating one's short-term advantage, it distinguishes itself from the average bourgeois culture. The entrepreneur, unlike a manager, is a brave leader, trying to get through the ordinary constraints. This leadership inevitably brings the capacity to think the new, capture the essential, act fast and comprehend via instincts. The motivations are not only the profits and privileges, but also the rewards stemming from a love for the game and a desire for recognition and respect. As a leader, he/she behaves according to the will and personal authority rather than the intellect and original ideas and hence should not be bothered with the criticism that can emerge as a result of socially deviant regarded innovative behavior. See also Montanye, 2006, 553.

Referring to the German word *Unternehmergeist* (entrepreneur-spirit), Schumpeter also tries to locate the entrepreneurial function in a historical context. Unlike previous eras, it cannot be mingled with the actions of religious, political and social leaders. Entrepreneurship is the historical form that leadership assumes in capitalism and therefore entrepreneur, because of innovative and competitive characteristics, is a vital part of capitalist development. This is most obviously represented in the close relation between bourgeois class and entrepreneurial function. To put it differently, the bourgeois families not only have innovating and leadership role in the economy and but also acquire, consolidate and transfer wealth, power and prestige to future generations.

[cxxvi] Interestingly, similar to Schumpeter (a conservative liberal), Karl Polanyi (socialist) announced (from an institutionalist perspective) the decline of liberal capitalism and the transformation after the crisis of the 1930s. Both Schumpeter and Polanyi are going to be key reference points for the formulation of "ethnic entrepreneur (ship)" by social economists at the end of 1980s and 1990s.

[cxxvii] Jurists and economists that had belonged to the Freiburg School or had published in the journal *Ordo: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft*. Alfred Müller-Armack (1901-1978), Franz Böhm (1895-1977), Walter Eucken (1891-190), Wilhelm Röpke (1899-1966), Alexander Rüstow (1885-1963), Ludwig Erhard (1897-1977) were the most notable members of Ordo-liberals. In addition to this, notable contributors to the journal were James M. Buchanan Milton Friedman, Friedrich Hayek, George J. Stigler, Peter Thomas Bauer, Victoria Curzon-Price, Otmar Issing, Paul Kirchhof, Roland Kirstein, Israel Kirzner, Frank H. Knight, Irving Kristol, Assar Lindbeck, Ludwig Lachmann, Giovanni Francesco Malagodi, Fritz Machlup, Karl R. Popper, Murray Rothbard, Jacques Rueff, and Heinrich Freiherr von Stackelberg.

[cxxviii] See Erhard, 1962 and 1963; A. Müller-Armack, 'The Meaning of The Social Market Economy,' in *Germany's Social Market Economy*, edited by A. Peacock and H. Willgerodt. London: MacMillan, 1989; A. Müller-Armack, 'The Principles of Social Market Economy' in *The Social Market Economy: Theory and Ethics of The Economic Order*, edited by P. Koslowski, Berlin: Springer, 1998, 255-74; F.Böhm, (1989) 'Rule of Law In A Market Economy' in *Germany's Social Market Economy*, edited by A. Peacock and H. Willgerodt, London: MacMillan, 1989, pp.46-67; W. Eucken, The Foundations of Economics: History and Theory In The Analysis of Economic Reality. London: William Hodge and Company Limited, 1950.

[cxxix] For the arguments of Ordo-liberals within a historical context considering the period until the end of World War II see Nicholls, 1994, 15-121.

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INTERLUDE I

Until now, I tried to explore the constitution of "ethnic entrepreneurship" in Berlin through a historical approach that consists of three parts. First, I examined the "crises of Fordism", which was necessary to follow up the understanding of entrepreneurship in Germany since its unification at the end of the 19th century and to underline the connections to the happenings at local, national, regional and global levels. In this historical part, I also argued that it is the "crises of Fordism" that historically overlaps with the initial problematization of "immigrants" from Turkey (in terms of unemployment, education and "integration") and the public discussions and uneasiness in Germany about the welfare state policies and the urge to become more competitive in the world market. Following the arguments of Gary Herrigel (1996), I examined the historical conditions of Berlin (as an autarkic industrial order) through Fordist and "post-Fordist" relations and tried to reflect on the political rationality in Germany from the beginning of the 1980s.

Second, I looked at the particularities of Berlin in relation to "immigrants" from Turkey. This historical part enabled me to interpret the "crises of Fordism" through different historical ruptures, i.e. the construction of the Berlin Wall (August 1961), the ban on recruiting from a foreign labor force (November 1973) and the fall of the Berlin Wall (November 1989). These ruptures were substantial to understand the positioning of Berlin in the German urban system. In this relational way of thinking, I argued that the historical features of "ethnic entrepreneurship" emerged in relation to the changing images and conditions of Berlin and their impacts on the "immigrants" from Turkey. That is to say, West Berlin was benefiting from the state subsidies and trying to improve its economy and political position as an island in the GDR with the help of the *Gastarbeiter*, whose presence was considered a *state of exception*. This way of thinking changed when the "immigrants" became a part of the social concern, fear and risk and the political rationality started to

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discuss the "integration of immigrants". During the most intense period of these two developments, Berlin experienced the impacts of German reunification and restructuring and hence it started to notice and promote the "ethnic entrepreneurship" of its "immigrants" in comparison to their problems like "integration", high rates of unemployment, crime and dependence on social assistance, and low language, education and training performances.

Third, I aimed to understand the political rationality in Germany since the late 1980s by focusing on the attempts of scholars/experts to define, categorize, and explain "ethnic entrepreneurship". Therefore, I looked at the features that provide the ground for scholars/experts to study entrepreneurship and then examined the relation between the formulations of entrepreneurship in Germany's intellectual history (in the late nineteenth and early twentieth centuries) and "ethnic entrepreneurship" in the US and Europe (beginning in the mid-1970s). By outlining the ways of thinking that have guided political rationality in Germany in imagining "ethnic entrepreneurship" (based on this body of knowledge), I tried to illustrate that "ethnic entrepreneurship" is not an entity only specific to Germany or a top-down formulation of its political rationality. I argued that "ethnic entrepreneurship" is an outcome of the intellectual contributions deriving from different countries and case studies. Consequently, I underlined that "ethnic entrepreneurship" is one of the reflections of Ordo-liberal understanding on social market economy. It belongs to the realm of social policy, since it refers to a society oriented towards an enterprise form in Germany. It is supposed to represent an economic agent, who has the individual freedom to act within the logic of competition, and is socially embedded in various laws, institutions and social "networks". This is based on a way of thinking that associates a space with a pre-given identity (where this relation, or just its existence, is considered natural) and hence functions as a mechanism of othering.

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After exploring its historical features within the framework of three inter-related chapters, now I will try to examine the constitution of "ethnic entrepreneurship" in Berlin through an anthropological approach (chapters 5, 6 and 7). This anthropological approach serves as a complement to the historical approach. It aims to look at how and under what conditions the "ethnic entrepreneurship" can be practiced. These practices are also sets of truth (rules and procedures that lead to production of a result regarded as efficient or inefficient, a success or a failure) and they (practices and sets of truth) do not become mutually exclusive categories (Foucault 1997, 290). In this sense, the following anthropological chapters will investigate the ways of acting in the daily life of oneself (the subject of bodily, instrumental and linguistic actions), keeping in mind two possible arguments. First, these practices are not a priori and are not merely invented by the individuals. Second, they are models that one can come across in his/her society, culture, social group or environment and can also be proposed, suggested or imposed by these (Ibid., 291). At this point, I will briefly illustrate the significance of chapter 5 in relation to the previous historical chapters.

Broadly speaking, chapter 5 will be based on the story of Nevin, who is a former participant of *ISI e.V* (*Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women) and currently the owner of a cleaning company in Neukölln. Insights and stories of Yasemin and Burcu, as experts from *ISI e.V.*, will also be addressed to build the complementary angle. But how can one place this chapter in the context of the study? Let me follow the order of previous chapters.

ISI e.V. is a non-profit association and its goal is to encourage self-employment among "immigrant women" in Berlin. In relation to chapter 2, this chapter will attempt to understand the role and functioning of a civil society organization in analyzing the mode of reasoning that derives from the self-responsibility of a population, in which it is conducted

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(through the principles including autonomy, freedom and consent). As we have seen previously, this mode of reasoning gained an impetus in Germany after the "crises of Fordism", during the transition from Fordism to "post-Fordism" (not lucid, completed or coherent) and under the impacts of restructuring since the 1980s. This mode of reasoning, as reflected on the policies of the Kohl and Schröder administrations, goes along with the promotion of the entrepreneurial spirit in Germany. At this point, the emergence and development of *ISI e.V.* appears as an acknowledgement of this mode of reasoning. That is to say, as a civil society organization, *ISI e.V.* is an outcome of the historical features that have been shaping Germany since the 1980s. In this sense, the example of *ISI e.V.* will reflect on the value of an enterprising individual and give details on the understanding of "ethnic entrepreneurship", which has developed as a method of "integrating immigrants", mobilizing various resources and providing solutions to the "problems" of "immigrants" (e.g. unemployment, crime, dependence on social assistance, and low language, education and training performances). Especially its objectives, funding tools, conditions of establishment and programs will help to solidify these connections. These points will also explain how a "self-help" mechanism, i.e. *ISI e.V.*, can find the tools to interact with the policies in Berlin, Germany and the European Union.

In relation to Berlin (chapter 3), this chapter also underlines the timing and conditions of establishment for the *ISI e.V.* as they go hand in hand with the German reunification. Hence, it is not self-evident that this civil society organization has emerged and developed under the image and conditions of reunited Berlin. This argument becomes even more substantial when one considers the "immigrants" from Turkey (the largest "immigrant" group with the most associated "problems"), who have to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification (chapter 3). Being located in

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Kreuzberg, one of the *Stadtteile mit besonderem Entwicklungsbedarf die soziale Stadt* (Districts With Special Development Needs), *ISI e.V.* becomes an example of the "social engagement" in mobilizing the "potential" of "immigrants" by promoting their entrepreneurial activities.

Additionally, the stories of Yasemin, Burcu and Nevin intend to represent the possibilities of change in one's life before and after the fall of the Berlin Wall. For example, Yasemin has the longest relationship with this social fabric because of her family's "immigration" history during the 1960s, whereas Burcu has a more socially privileged position because of her father's diplomatic passport and her initial status as a student in the city. Burcu's marriage also seems to play a role in her decision to stay in Berlin and hence creates a common point with Nevin's story. Yet the circumstances of Nevin's marriage, i.e. being arranged in advance by the families in Dersim and Berlin, underline her dependant position on her husband and his family in the initial years of her stay. Moreover, the social backgrounds of these female figures seem to shape their experiences of Berlin before the fall of the Wall. Yet these stories, which run away from each other at the beginning (before the fall of the Wall), start to run nearer through the development of *ISI e.V.*, after the fall of the Wall. Therefore, the chapter aims to give details on the changing forms of life, particularly relying on the story of Nevin.

Last but not least, chapter 5 is related to the historical features of "ethnic entrepreneurship" in terms of the intellectual contributions of scholars/experts to define, categorize, and explain this category, as illustrated in chapter 4. At this point, it is crucial to note that experts in *ISI e.V.* do not directly conduct the body of knowledge of "ethnic entrepreneurship" on their participants. These experts, being familiar with this body of knowledge in terms of their experiences, develop ways of emphasizing how the participants can become entrepreneurs by concentrating on the ideas including "knowing oneself", "who

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am I?" and "what do I want to do?". The crucial point is that these ideas are connected to the stories of "immigration". That is to say, the participants are guided through the "potentials" deriving from their "immigration backgrounds". These "potentials" are formulated as values that can be used as "self-help" mechanisms to change their "disadvantaged" or "dependant" positions. For example, formulations that underline "interculturality", questions in the tests that address "social networks" or "country of origin", and descriptions emphasizing the sense of "empathy" emerge as the methods of guiding participants because of the references to their "immigration backgrounds". As I examined in chapter 4, these methods or the attempts of experts are based on a way of thinking that "welcomes" diverse cultural co-existence and functions as a mechanism of othering, since it associates a space with a pre-given identity (where this relation, or just its existence, is considered natural).

In addition, the chapter highlights that the participants do not simply internalize this body of knowledge that has been utilized by the experts. In order to exemplify this point, I will give details from the memories and reflections of Nevin about her past, relations with her family, friends and employees, projects, the company, and ways to describe different identities (being "Kurdish", "Alevi", "Turkish", "German", a woman with "immigration background"). These memories and reflections will serve as the means to practice "ethnic entrepreneurship". The chapter underscores that one cannot talk about a coherent set of techniques for "ethnic entrepreneurship" that can be put into practice, since every "ethnic entrepreneur" can tailor the ways of practicing it to her/his conditions and to reactions to these conditions. This is also in parallel to the varying and contradictory contributions of scholars/experts on the body of knowledge of "ethnic entrepreneurship" as discussed in chapter 4. Nevin's "ethnic entrepreneurship" intends to represent a mode of "emancipation" from what cannot be controlled to what can be controlled (from a "disadvantaged" and "dependant" position to an autonomous, self-responsible and "integrated" position). Last but

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not least, it will indicate how the "ethnic entrepreneurship" starting as a "self-help" mechanism can gradually turn into a method of "helping others", which will be the focal point of chapter 6.

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CHAPTER 5

"ETHNIC ENTREPRENEURSHIP" THROUGH THE MECHANISM OF "SELF-HELP"

Unternehmen Sie was!
(Investitionsbank Berlin)

A spirit is wandering through Berlin – the spirit of entrepreneurship. Welcomed by the inhabitants, it is embodied on the public bus *M29* with a motto of *Unternehmen Sie was!* and traveling from the mostly "immigrant" populated district of Neukölln to the heart of former West Berlin, Ku'damm.

Unternehmen (a verb) means to undertake or to dare; and *das Unternehmen* (a noun) is a company, enterprise or venture. *Etwas unternehmen* means to undertake something, or to take action. Hence *Unternehmen Sie was!* indicates the encouraging words: Undertake something! . Yet, two points remain ambiguous in this advertisement. First, it is the form of undertaking. This undertaking can be a social responsibility, political interaction, business organization (small or medium scale, in the service sector or manufacturing, innovative or mundane, profitable or not) or all three combined. Second, it is the agent who has the power to perform the undertaking. The act of undertaking can be carried out by individuals or groups from different backgrounds, as well as by institutions (public or private). To go one step further, *Unternehmen Sie was!* gives the impression that such a call for undertaking does not leave out the inhabitants of other cities in Germany, until one recognizes the logo of IBB (*Investitionsbank Berlin*, Investment Bank of Berlin) at the bottom of this advertisement. Thus, two dispositions result from this motto, within its ambiguity.

On the one hand, a particular desire becomes more noticeable: the desire for an enterprise form in the social fabric of Berlin. On the other hand, the motto implies the characterization of a person who is "not welcome". This is a person who does not take any

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responsibility, initiative or action in different spheres of life. He/she depends merely on the benefits of German welfare-state and hence needs to be taken care of, dealt with and controlled. He/she might even be a part of the "problems" including "integration", low level of education, unemployment and crime.

These two dispositions are splendidly embraced in the body of knowledge of "ethnic entrepreneurship". On the one hand, "ethnic entrepreneurs" (similar to those that are "non-ethnic") are seen (by themselves and political rationality) as competitive, active, ambitious, participating, calculating, productive, self-regulated, self-responsible and cooperative individuals, who have a tendency for autonomization and do not need direct political intervention. On the other hand, "ethnic entrepreneurs" (unlike those that are "non-ethnic") are considered (by themselves and political rationality) as junctures to their "ethnic" groups because of shared memories and histories of "immigration". Depending on this affection or empathy (*Einfühlung*), the "ethnic entrepreneur" is imagined as a figure to develop a form of responsibilization to his/her "ethnic" group, particularly to those with "problems" (e.g. "integration", low level of education, unemployment and crime), and hence to generate means for solving the "problems". In a word, responsibilization and undertaking of an "insider" is assumed to provide a more efficient way of dealing with the "problems" of that target group than costly and long-term social policies.

Desire for an enterprise form in the social fabric has been promoted not only in Berlin and Germany but also at the level of the European Union, intensely, since the late 1980s. One of the latest acknowledgements of this desire was delivered through a study commissioned by the Directorate General Enterprise and Industry of the European Commission in 2008. With the aim to map the policies in promoting "ethnic entrepreneurship" in "Europe", a final report of this study outlines measures and support schemes during the process, identifies existing professional organizations and explores good practices (European Commission, 2008, 5). By

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concentrating on the roles and importance of professional (semi-) public and non-profit organizations through twelve cases, the study highlights effective methods and techniques in promoting "ethnic entrepreneurship". Though it is not examined within the scope of this report, *ISI e.V* (*Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women).[cxxx] can also be contextualized as a model employing effective methods in promoting "ethnic entrepreneurship". It is one of the first examples in Germany and has a crucial place in Berlin. Therefore, in this chapter I will look at the example of *ISI e.V.* and try to give details on the ways of practicing "ethnic entrepreneurship" by relying on the insights and reflections of two experts (Yasemin and Burcu) and a former participant (Nevin).[cxxxi]

By pursuing this goal, I do not intend to verify/falsify any practices or sets of truth as "ethnic entrepreneurship" or put forward new definitions, classifications or models. Rather, I aim, first, to describe the model of *ISI e.V.* by briefly outlining the ideas and conditions that paved the way for its foundation, its constitutive principles, fields of action and spatial organization. Second, I mean to explore the role of experts on "ethnic entrepreneurship", especially in developing methods of guiding participants. Third, I intend to underline how a former participant can create manners of positioning herself in relation to the category of "ethnic entrepreneurship". At this point, it should be noted that there is not a coherent set of techniques for "ethnic entrepreneurship", which can be simply conducted by the experts on the participants or can be simply internalized by the participants. The insights and reflections of two experts and a former participant will enable me to portray how the ways of imagining and conducting "ethnic entrepreneurship" can vary and how this uncertainty can constitute the category itself.

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5.1 Contextualizing ISI e.V.

5.1.1 Through Certain Drives

Established in 1991 as a non-profit association, the goal of *ISI e.V.* is to initiate self-employment among "immigrant women". The experts in *ISI e.V.* propose the projects mainly to the European Social Fund (ESF) and Senate of Berlin to get funding. With emphasis on "interculturality", knowledge, independence, passion and responsibility, these experts (on business management, finance, accounting, law, sociology, social work, psychology and informatics) design seminars and consultation services to improve personal qualifications, ideas on business development and "networking" capabilities of the participants.

Will to take action seems to be the pivotal component of this expertise and the establishment of *ISI e.V.* According to Yasemin, a member of board, this was a will to

> fight against socio-economic disadvantages of immigrant women, reject being designated as disadvantaged in the society, discontinue with a period that one waits passively for state and other institutions to find out solutions, and activate a self-help mechanism step by step. (Yasemin, interview, 20.02.2006)

Depending on Yasemin's interpretation, a critical point to elucidate is that of the features that pave the way for the establishment of *ISI e.V.*

The constitutive motivation for *ISI e.V.* appeared during discussions in the UNESCO conference (in *Technische Universität Berlin, TU Berlin*) on *Women in International Migration: Social, Cultural and Occupational Issues* in 1988. For "mother-founders" (as they call themselves) of *ISI e.V.*, their main agenda during that time was to "liberate" "immigrant women" from a dependence on the state and family. The most efficient way to achieve this goal was to utilize a specific tool of economic independence; i.e. becoming an entrepreneur. At this initial stage, *Women's Enterprise Development Agency* in Birmingham served as an ideal example.

However, it would be an underestimation of experts ("mother-founders"), if one simply categorizes the spontaneity of arguments and emergence of *ISI e.V.* under the circumstances

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of Berlin in 1991 referring to a case in Birmingham. For that reason, four interrelated points have to be kept in mind as the historical conditions of this development. First, having spent a crucial part of their careers until 1989 in West Germany or West Berlin, the "mother-founders" were already familiar (and even practicing in their daily lives) with all intensifying socio-economic and political impacts of "crises of Fordism" (chapter 2) and re-unification in Germany and Berlin (chapter 3). According to "mother-founders", the intersection of transformations going through "crises of Fordism" and re-unification necessitated other forms of political intervention (in comparison to the period before the fall of the Wall) concerning the place of "immigrants", especially women, in Berlin.

Second, these experts have been familiar with (or taking part in) various discussions, formulations or policies on the subject of "immigration" as a social concern that has to be solved or minimized in terms of disturbing consequences. Through institutions and tools of disciplines (e.g. sociology, psychology, pedagogy, law, urban planning, architecture, politics and economics) a huge set of knowledge (on their psychic lives, capacities, cultures, souls and bodies) in terms of reports, books, statistics, research and articles on this social concern had already been provided for the utilization of these experts. To put it differently, until the beginning of the 1990s they had acquired different sets of knowledge in generating norms and methods of "integrating immigrants".

Third, *Women's Enterprise Development Agency* in Birmingham was a "good", "profitable" and "successful" example of promoting entrepreneurship. Referring to this example and adapting some of its conceptual arguments, these experts had the goal to engage in policy production at the local level. According to some "mother-founders", who are already familiar with the emergence and development of knowledge on "ethnic entrepreneurship", this case was a significant tool. Though colonial history of the United Kingdom was notorious for its treatment of different populations, the case was seen as an

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illustration of "incorporating immigrants" into the "host" country through a model of "self-help".

Finally, as a non-profit association, *ISI e.V.* had to find financial resources that can give support in the long-term. According to "mother-founders", ESF (created in 1957, financial instrument of the European Union "for investing in people"), which has been providing training and re-training, enhancing skills, developing careers and promoting entrepreneurship, was a perfect match for their requirements (European Commission 2007a). This was not a zero sum game. By requesting this financial resource *ISI e.V.* agreed that it would simultaneously give a certain kind of service in return, i.e. promoting entrepreneurship among "immigrant women". What makes these two, a financial resource and specific service, exchangeable or profitable on the side of ESF is the principle of employment as one of its constitutive elements.

Broadly speaking, ESF has been tackling various aspects of employment and hence dealing with impacts of *Gastarbeiter* since the 1960s, "crises of Fordism" and German re-unification (as a symbol of the collapse of communism, enlargement of the EU and intensification of competition). In this framework, it has a target group that has to be taken care of, specifically the unemployed, "immigrants", women, youth and people with disabilities and poor job qualifications (European Commission 2007b, 9-36). Decisions on these target groups are formed at the EU level since budget and strategies of ESF are formulated between member countries, EU Parliament and EU Commission. These strategies are implemented under the supervision of ESF authorities (designated by each country in necessary regions), through projects of various organizations (public or private, as well as social partners like trade unions or non-profit associations).

Though it may sound simplified, one can formulate the relation between *ISI e.V.* and its financial resource in the following way. The EU sets principles and rules of procedures to

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regulate relations with its inhabitants and to achieve a minimum standard of living within its borders, even if they are implemented separately, according to the legislation of each state. It tries to bring a target group, which is either at the risk of marginalization or already working in the unregulated economy (i.e. outside the scope of minimum standard of living), once again to the regulations of an official economy. It does so by sponsoring projects in selected regions. These projects, as "successful" initiatives, become reference points for other projects and in turn create efficient policies through autonomization at the local level. Thus, the interaction between *ISI e.V.* and ESF is developed by the functioning and value of these projects.

Through these projects, possible costs of marginalization are minimized or prevented by mobilizing the knowledge and experiences of experts at the local level. It is not only about minimizing costs, since these target groups do not remain marginalized. By becoming "ethnic entrepreneurs", they are equipped with a will to undertake something "useful" or even "profitable" both for themselves and others (e.g. their families, "co-ethnic" groups, neighborhoods, German society and Berlin). Something "useful" or even "profitable" (recalling *Unternehmen Sie was!*) signifies development of skills, knowledge, tools to employ, invest and pay taxes, capacities to educate apprentices, responsibilities and an independent labor force. It denotes the efficient use of resources. As a result, by sharing responsibilities with "self-help" associations, ESF can generate tools of intervention to regulate target groups and activate their capacities. These goals of ESF are also in line with the Ordo-liberal understanding of social policy to achieve a society of competition and enterprise (chapter 4) and the policies of Kohl and Schröder administrations (chapter 2). However, it could be misleading to set down *ISI e.V.* into a strict institutional character implying EU and German state policies.

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5.1.2 Through the Spheres of Action

Yasemin was born in 1950. After graduating from Moda Girls' School in Istanbul in 1967, she went to Munich, where her mother and uncles were already working. Two years later, in 1969, she moved to Berlin with her mother and sister. At first, she worked as a social worker for "immigrants". She counseled "immigrants" on problems concerning their children, such as bilingualism and teacher-parent relationships. Her first entrepreneurial endeavor came afterwards; she married an engineer in 1974 and, through a small store in Kreuzberg, sold videos and translated official documents for "immigrants" from Turkey until 1979. Then, at age 39, she was admitted into the pedagogy department at Kassel University.

ISI e.V. is like Yasemin's "child". This is not only because of all the effort she has been putting in since its emergence, but also because her goal in life is to deal with people. According to her, *ISI e.V.* tries to discover "what oneself wants". To pursue this,

> you have to look at your past and present. Think of moments that make you happy and healthy, dreams that you want to realize or things that you enjoy doing most. Talk with the child inside you. If you can do that, then you know what you want. (Yasemin, interview, 20.02.2006)

Following her formula, one can argue that the moment one knows more about oneself is also the point that "what oneself wants" can be achieved. For Yasemin, spheres of action in *ISI e.V.* are designed regarding this goal.

Broadly speaking, there are two spheres of action in *ISI e.V.*: first, three projects running through seminars for setting up a business and second, a general consulting service. Although there are divergences in terms of the target group and techniques to be implemented, fundamentals that put these two dimensions under one umbrella are emphasized as "interculturality", strengthening personal skills, utilization of "potentials" owned by "immigrant women", examining requirements for setting up business, and supervision, care and support. But, how can one define the role of an expert within these spheres of action?

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An expert is held responsible for each activity, even though the board supervises at the macro level. To be more specific, the functioning of each activity is controlled at different levels; there are experts for different courses, an expert for a project or general consulting service, and members of board at the top. This does not result in a constant form of hierarchy among the experts. Rather, it generates a flexible terrain where diverse expert approaches can be evaluated in an interactive framework. In order to understand this interactive framework, lets have a look at the spheres of action in *ISI e.V.*

EFI (*Existenzgründung für Immigrantinnen*), one of the three projects for setting up a business, targets "immigrant women" from all countries and age groups with different life and job experiences. The courses in this project run throughout the year. It is divided into three sections. Commercial knowledge is the first module and focuses on business management, internet, accounting, business German, discussions with experts on specific topics and visits to various firms. The second module gives priority to social and "intercultural" skills relying on seminars such as business life, overcoming stress, learning techniques, time management, rhetoric, phone marketing, negotiation and sale trainings, creative writing, application training, management of complaints, motivation, and requirements of entrepreneurial skills. The last module is the internship period of nine weeks in a company from any sector chosen by participants. The project concludes with the submission of a report on this internship period. Consultancy service before setting up businesses and information on different educational programs are also provided to all participants at the end of each year. In this project, general concerns focus mainly on individual capacities, need for concretization of business ideas, framework of financial difficulties and bank system, detailed market analysis and networking.

The second project, *EFA* (*Existenzgründung für Akademiker und Akademikerinnen mit Migrationshintergrund*), is prepared for university graduates from all countries and age

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groups with different life and job experience. It does not have a gender preference, unlike *EFI*. A proof of university certificate is not obligatory to participate in the courses. The project seeks to enact self-initiative and success orientation to realize business ideas. A participant who desires to be an entrepreneur is directed through qualification and coaching seminars. In this sense, it is composed of two time periods. A period of four months engages in qualification through business management, business planning, accounting, electronic data processing, "interculturality" and social skills. In the following six months, a start up phase is supervised through intense individual coaching, concrete work on business plans, support on authorization processes, applications, marketing and advertisement, and seminars on existing procedures of financing, taxes and laws.

The most recent project, *EFAB* (*Existenzgründung für Asylbewerberinnen*), intends to provide entrepreneurship courses for asylum seekers and refugees from all countries and age groups with different life and job experience. Unlike the previous programs, it covers a period of three months. The endeavor within this limited time is to guide participants through the basic ideas of the economic system, business management and accounting, and to impart an awareness of "interculturality" and the social skills needed for entrepreneurship. At the end of each section, certificates are given to successful participants. The project also offers individual interviews and consultancy services. It is taken as an introduction period for building up qualifications. Last but not least, *EFA* and *EFAB* are new projects in comparison to *EFI*, which has been running for eighteen years.

Apart from these three projects, there is a general consulting service as the second sphere of action in *ISI e.V.* Only "immigrant women" can benefit from this service, and they are selected based on their proposals. Each meeting is around ninety minutes and follow-up sessions are possible depending on the analysis of experts. Expert evaluation is crucial to define the difficulties that a participant is dealing with and to find out the solutions to be

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conducted. Given the time constrain, the participant can only be equipped with selected topics from different courses. If it is required that the participant has to develop other qualifications for her future business life, she can be directed to one of the projects.

Within this interactive framework, these three projects and the general consulting service denote a spatial pedagogical process, in which one's knowledge and capacities have to be improved within a specified time. Yet, this would be a very limited understanding of *ISI e.V.*, since its constitutive element is not only about "knowing oneself" but also about practicing oneself. That is to say, the self is an object and end that has to be looked for and practiced throughout one's life. This is formulated in different ways by the experts in *ISI e.V.*

For example, according to Burcu (1964), this is an "expedition to the juncture of your brain, heart and stomach" and hence "concerns your soul or the lion inside you". This is also what she has experienced in her life, which differentiates her from the "immigration background" of Yasemin. After graduating from the department of business management in Bogazici University (Istanbul), she started her journey and has been abroad in Berlin since then. She fell in love with her husband during a holiday in Berlin and decided to stay. This was easy because of her diplomatic passport, acquired via her father. Later on, she withdrew from her Ph.D. studies in New York, where she had been accepted prior to her trip to Berlin, and completed a master's degree on tourism in *Freie Universität* (*FU Berlin*). In 1988, she started up a tourism office with a colleague, but this endeavor did not last long. Following the fall of the Wall, she took part in a social project sponsored by ESF to "integrate" women (university graduates) in the eastern districts of Berlin and Brandenburg into the job market through a qualification program in the tourism sector. This project was extended to Poland and Russia with a focus on different sectors. During these years (until 1992) she became experienced in business start-ups and personal development techniques.

Yet, tragic loss of parents in a traffic accident directed Burcu to quit her job and then to

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start a new undergraduate program at the Institute of Turkology (FU Berlin) in 1996. At the same time, she worked as a freelance translator and gave courses on creative writing and personal development at the university. In 2004, Burcu, calling it a "moment of awareness" in her life, realized that she could not "escape" from setting up her own firm.

> It came to me, or maybe I was calling it for a long time and finally found the courage to dig it out. It is a process of knowing yourself. But it is not enough on its own. You should practice certain things for your entire life. And I have been training myself in business start-ups for a long time. Let me put it this way, in order to pass the finish line in a marathon, you have to train your body, because knowing the right tactics can only carry you until the half way. These are exactly the issues that I can teach. They fit to the agenda of ISI as well. (Burcu, interview, 22.02.2006)

Two facts made this "awareness" obvious for her. First, different people in Berlin were already consulting her about their business ideas. Second, a proposal by *ISI e.V.* was given to work as an expert on starting up businesses. Hence, she became an entrepreneur (a "business coach" as she puts it) of those, who desire to become one. To put it differently, under the conditions of her reflections to the past experiences ("immigration" story, as well as education and family background), Burcu starts to practice entrepreneurship as a result of the way of knowing herself. Yet, before displaying this relation between knowing and practicing oneself as complementary points to promote "ethnic entrepreneurship" in *ISI e.V.*, it might be illuminating to look briefly at its spatial organization.

5.1.3 Through a Spatial Reflection

ISI e.V. is located next to *Oranienstrasse*, which is one of the old and popular streets in Kreuzberg with different restaurants, bars, shops, public offices, houses, associations and small galleries. *Oranienstrasse* is also an attraction center for various festivals, demonstrations, protests and fights. This lively street's population is a mixture of "immigrants", intellectuals, entrepreneurs, authors, artists and unemployed. Located next to *Oranienstrasse*, *ISI e.V.* is also easily accessible by public transportation, e.g. metro lines crossing east-west (*U1*) and north-south (*U8*) axes, and buses like *M29*.

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The office is in a multi-story apartment, which is named after its architect Max Taut (1884-1967, known for his work involving trade unions and similar organizations) and faces a small park. Though this multi-story apartment does not have a glamorous exterior in comparison to the lively milieu in Kreuzberg, the activities of *ISI e.V.* are distributed among two floors and this provides a huge inner space for various functions.

Within this inner space, members of the board have adjoining rooms in the upper floor at the end of a corridor. Next to them are two rooms. The small one is for administration and the larger is shared by experts. To an extent, rooms in this corridor, functioning as an administrative center, create a differentiated understanding of space, in which participants are less visible. Yet experts and participants together use seminar and consultancy rooms, kitchens, restrooms and lobbies in both floors and everyone is held responsible for the order and hygiene of these shared spaces.

Lobbies in both floors are designed with participants in mind. Before and after the seminars, participants gather in these lobbies and talk about their problems, give advice to each other and have coffee or tea. But these are not the only functions of lobbies. Walls in lobbies, for example, are full of information (e.g. keys to becoming an entrepreneur and the most crucial elements for running an enterprise), advertisements from banks, programs of other institutions and images of entrepreneurs accompanied by different mottos. In addition, there are boards that are reserved for announcements like meditation courses, private language lessons, child care institutions, affordable fitness centers, weekend tours and programs for forthcoming workshops. At the same time, the silence in lobbies during courses is a concern. For instance, visitors after waiting for a while in the lobby or secretary's office are directed to the rooms of board members and experts or taken into the rooms reserved for consultancy, when more privacy is required. Above all, these lobbies have a function of remembering. They remind who/where the participants are and the purpose of their

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participation through this particular interior design. This remembering works through one's gaze, which turns the end or outcome into a participant (in parallel to the complementary elements of knowing and practicing oneself). Seminar and consultancy rooms acquire the top priority in terms of utility.

> Our office does not look like the fancy institutions in Mitte. Well, we cannot afford those expensive rents. This is a fact. Yet, we have an important asset and this makes us different. We are in Kreuzberg and it is full of immigrants. This is the real potential and that is why we have our office in here. You have to know what is going on around the area to discover this potential. That is what we are doing in seminar rooms. We are dealing with people, their potential and inside. (Yasemin, interview, 20.02.2006)

Yasemin's interpretation of "dealing with people, their potential and inside" exhibits itself when one notes a number of interior arrangements regarding the seminar rooms that are similar to the lobbies. Some of the seminar rooms, for example, are equipped with extra technical equipment (e.g. computers and audio-visual devices), whereas common devices in all seminar rooms are desks, chairs, boards and graphics and guidelines on the walls. This arrangement is made with the target groups in mind; because participants of the *EFA* project (university graduates) are assumed to have better knowledge of, and skills to deal with, technical equipment. Hence, their courses are held in rooms with extra technical equipment. On the other hand, participants of *EFI* are supposed to go through an elementary stage. In this elementary stage, experts examine capabilities of participants through different techniques like writing exercises, conversations and brain-storming.

Another arrangement according to target groups can be seen in terms of the usage of seminar rooms in different floors. Although one can find seminar rooms with technical equipment in both floors, participants of *EFI* take their courses in the upper floor, where the rooms of the board members, experts and secretary are also placed. This arrangement makes possible a continuous form of care and supervision of the participants, to encourage participants to express themselves freely, to listen to their problems (e.g. language and

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family), and to make them feel relaxed, comfortable and safe.

> They are more emotional than university graduates, but in that sense more creative and eager to learn. We have to be careful about the management of these emotions, especially in the first two weeks. Even if they are not good at language, they are willing to find out what they want to be. This is what counts for us. (Burcu, interview, 22.02.2006)

Moreover, seminar rooms have been partly turned into platforms of exhibiting numerous aspects of entrepreneurship. Though experts continuously change these figures, two of them were particularly illustrative. One of these figures was an image of the entrepreneur's mind divided into asymmetrical parts with concepts like creativity, need for achievement, flexibility, imagination, self-esteem, trust, leadership/charisma, initiative, patience, focus and problem solving ability. This was a symbolic phrenology of the entrepreneur reminding participants certain norms that can be applied to themselves. A complementary figure, that depicting the symbolic physiology of an entrepreneur, was reflected in a caricature on the seminar room's wall. This entrepreneur, half-skeleton and half-muscle, was marked by explanations corresponding to different parts of his/her body: brain stands for knowledge, heart is the driving force of passion and determination, and guts point out the fire that one requires in accomplishing one's will and facing challenges. Through these figures, i.e. a process of visualization, not only "secrets" of an entrepreneur can be uncovered and demonstrated for the participants, but also an act of imagining oneself as an enterprising individual might be kept alive.

Unlike seminars, individual consultations take place in smaller rooms with minimum equipment: a table and chairs at the center and a board with markers in the background. The participant is separated not only from other colleagues but also from all images decorating the seminar rooms and lobbies. In addition to this isolation, a time limitation of ninety minutes is made discernible by a wall clock. Quality of time is the main concern since the consultancy, unlike courses, is planned as one block. Thus, any kind of distraction needs to

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be avoided to keep the full concentration of the participant and to arrange the use of time according to different topics and questions. Under the guidance of an expert, a participant can intensely work on oneself.

This limited set of arrangements under the light of spheres of action takes on a pedagogical role. Thus, following Foucault's interpretation of disciplinary power, one can identify *ISI e.V.* as a system that intends to work on participants' time, life and body, to develop a continuous visibility concerning participants and their potential behavior (i.e. the panoptic principle), to define the place of every element, to connect with each other through schematization, and to entail the residual, unclassifiable or marginal parts of entrepreneurship (e.g. street vendors as "ethnic entrepreneurs" in the informal economy) (Foucault 2008b, 46-54). In return, it fabricates an individuality that is cellular (by the play of spatial distribution), organic (by the coding of activities), genetic (by the articulation of time) and combinatory (by the composition of forces) (Foucault 1995, 141-67). However, this disciplinary pedagogical role cannot completely reflect on what Burcu calls "process of knowing yourself" and practicing "certain things in your entire life" (as two main objectives of *ISI e.V.*) or what Foucault would call culture of the self, formation of the self, or *Selbstbildung* (2005, 46). To clarify this idea of *Selbstbildung* through the framework of *ISI e.V.*, I will now have a closer look at the reflections of two experts and a participant.

5.2 Constructing a "Self-Help" Mechanism

5.2.1 Through the Reflections of Experts

Relations between experts and participants form the basis of *ISI e.V.*, since one of its principles is to create a "self-help" mechanism and promote ways for an individual to act upon oneself as an "ethnic entrepreneur". To fulfill this goal, the impulse of experts has a constitutive role. They direct participants in attending to themselves, for themselves. Or, as Nikolas Rose puts it,

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> …ways of *thinking* about humans as selves, and …ways of *judging* them, are linked to certain ways of *acting* upon such selves. The guidance of selves is no longer dependent on the authority of religion or traditional morality; it has been allocated to 'experts of subjectivity' who transfigure existential questions about the purpose of life and the meaning of suffering into technical questions of the most effective ways of managing malfunction and improving 'quality of life'. (1998, 51) (emphasis in original)

In a way, the experts operate with methods of spiritual direction alongside a pedagogical one and hence technologies of the self come into play, which

> permit individuals to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immortality. (Foucault 1988, 18)

Selin, (1975) a participant of *EFA* project, echoes this spiritual direction by emphasizing a sense of affection or empathy (*Einfühlung*) based on the fact that all experts in *ISI e.V.* are woman and share a part of "immigration" history.

> They are not like teachers that constantly say, "If you do this, you can achieve that" or "Why don't you do what I tell you?" Rather, they give us a hand in developing ourselves. When I talk frankly about difficulties of being an immigrant or a woman, they know what I mean because they went through similar processes. They help us think of ourselves, who we are. And then apply it on our business ideas. Isn't that good? At least, when this is over and inşallah [god willing] I establish my own company, I will be able to say this is all about me and the way I live. I just dream about this. (Selin, interview, 16.03.2006)[cxxxii]

Selin's formulation notes that this spiritual direction does not exclude, rather works with, one's everyday life. In this sense, two important components, being an "immigrant" and a woman, give her a ground to talk "frankly" with experts and entrust their ideas, guidance and methods. Although no prior conditions are set up for a participant (e.g. to talk "frankly" or explain difficulties in one's life), the expert comes into sight as an indispensable figure in participant's thinking and in their carrying of oneself as an "ethnic entrepreneur". The expert, in Selin's interpretation, is the other that she can rely on. It has a different meaning from a German female/male or an "immigrant" male expert. There are various examples of this particularity accentuated by experts.

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Broadly speaking, experts claim an authority of competence on certain topics. In *ISI e.V.* this know-how contains not only wisdom in terms of accounting, business planning or law, but also understanding deriving from being an "immigrant woman". In a way, the participant can see and learn from a role model (*Vorbild*) that can combine different assets. According to Yasemin, this is one of the advantages of *ISI e.V.* in comparison to other organizations providing seminars and consultation services on entrepreneurship. She points out this advantage through the notion of "interculturality". For her, "interculturality" enables them, as experts, to comprehend and make use of distinctions not only between "immigrants" and German society but also among "immigrant generations" in promoting entrepreneurship. By contrasting her parents' conditions and transformations since the late 1980s in Berlin, she stresses a need to bring into play distinct ways of practicing entrepreneurship.

> By then, I was able to pay for a German course, but my parents did not have that opportunity and time for it since they were working at the factory. And after work, it was really hard to do something because you had to take care of the kids and rest for a while for the next day. Now, the economy has changed and there is more demand in the service sector. But qualifications of immigrants do not fulfill this requirement. Right at this moment, you realize what the interculturality can accomplish. A family from Turkey might say to their child "Here you have some money for starting up a small shop or *Kiosk*. We will also give support in running it. God will help us". This is really precious especially nowadays. You cannot find this in a German family. They do not jump into something that cannot be seen in advance. However, this mentality is not enough to survive in Germany. You also have to know how things work in here. You have to grasp how Germans think. (Yasemin, interview, 20.02.2006)

Here, one can see that the expert is able to recall stories from her own experiences to describe transformations on immigrants' lives. She can estimate possible reactions of a family from Turkey under specific conditions. On the other hand, having an "insider" perspective does not constrain her from getting the other half of the picture. She is accustomed to the "German way of doing things" to such an extent that she can be considered as "German". Thus, the expert has a capacity to pick up values from a certain way of life and use it with/in another one. In order to support her argument on experts' competence of

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"interculturality", Yasemin tells the story of Fatma, who used to be a participant in *ISI e.V.*

Fatma grew up in İzmir and became a tailor through vocational education. Before getting married and immigrating to Germany due to her husband, she worked in a factory producing shirts as the chief tailor. In Berlin, Fatma's husband "allows her to find a job that employs only women, but then says that he does not want her to work at all". According to Yasemin, Fatma's husband was not aware of her participation in *ISI e.V.* at the beginning, but accepted the situation when she took part more actively. During this process, Fatma got seminars on starting up a business from experts and worked in different projects of *ISI e.V.* She was able to open her own tailor shop at the end of six years, when her husband became unemployed. Although her husband applied for a credit that was necessary for the shop under his name, Fatma replaced the role of her husband and looked after her family in the coming years.

For Yasemin, who got involved with Fatma's progress closely, this was not an easy period since she was asked to take some extra courses and an exam of mastership on tailoring by HWK (*Handwerkskammer*, Chamber of Handicrafts) and IHK (*Industrie und Handelskammer*, Chamber of Industry and Commerce). Yasemin supported her to go through these bureaucratic requirements based on a competence of "interculturality".

> She told me several times that she knows this job and she can do it. But if they had still asked her to improve her German, knowledge on this job with extra courses, and then to pass the test, she probably could not have done it. She was turning into forty years old. And what they normally demand is a long process. In the end, we did it, but it was troublesome. If we had not been there to find a solution with our competence, because we know what both sides wanted, and had not given her all the necessary knowledge, she might have either waited three more years or given it up. This is only one of the difficulties that most of the immigrants have to face. (Yasemin, interview, 20.02.2006)

Accordingly, the expert's "intercultural" competence gives her the tools to negotiate with German institutions considering the participant. That is to say, the expert does not only understand and make use of distinctions, but also uncovers and explains problems and

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suggests solutions. In this manner, she turns into an arbitrator between a participant and an institution.

Acquiring a role of an arbitrator can also present itself in another form. The expertise that derives from knowledge and experience underscores the participant's ignorance. This can be an ignorance of skills, know-how or potential that has to be learned and practiced in order to be self-reliant. At this point, being a role model enables the expert to function as an arbitrator, which does not go between a participant and an institution, but within a participant him/herself. In a word, depending on the "frankness" of participants as Selin formulates, an expert can guide a participant to memorize certain skills and know-how, set free his/her potential and take action in terms of business ideas.

> The person needs an entrepreneurial soul. It is not about counting the next step all the time, you just have to go sometimes. Just like that. Turks living in here have this courage, unlike the Germans. This is important to take the risk. It is a risk because you try to be your own boss, even if you do not have money. But there are drawbacks of this courage and we see this quite often here. We help them find the balance between this courage and knowledge. I am not talking about business knowledge only. It is a way to enable them to stand on their own feet. And to achieve this, we need to understand them, their past, their psychology. If you want, we are something like mediators. All they have to do is to benefit from us to convey their energies and ideas. (Yasemin, interview, 20.02.2006)

Within this elucidation one can detect the pedagogical perspective implemented by the expert's mediation. The object and end of this mediation is the participant. However, this relation between expert and participant does not entirely fit into the hierarchical model of a master and disciple. Relying on Yasemin's emphasis on the necessity to understand the psychology of participants, one can also indicate a therapeutic function, which has a more prominent role during counseling services than courses.

Burcu, who is doing business coaching alongside her job in *ISI e.V.*, gave details about this therapeutic function during my visit to her office near the Jewish Synagogue in Mitte, which is surrounded by galleries, shops, cafes and restaurants. Although one cannot ignore the location of her office in comparison to that of *ISI e.V.* and hence her target group

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("immigrants" that are able to pay for this service, unlike the participants in *ISI e.V.*), Burcu prefers to call herself an individual assistant, who does not have customers, but followers requiring guidance. She puts "frankness" at the center of this "soul service," exemplified through her relation with two participants in *ISI e.V.*

Both of these participants were from the same country (she did not want to name it), but one of them resisted Burcu's method. By not accepting certain aspects of this therapeutic approach, according to Burcu, the participant was not able to enjoy herself or take pleasure in herself alone. The other participant, being the opposite case, was able to "open" herself from the first session onwards and accepted the guidance of Burcu. Importance of this initial guidance was to enable the participant to "see herself with her own eyes and hence find her own medicine".

> So, in the first session I ask all participants to introduce themselves very briefly, with a few sentences. When they are finished, I ask them once again to do the same thing but this time in a different way. I do not explain anything about the method. I just tell them to close their eyes and imagine themselves, their bodies in front of them. I repeat twice that they should not open their eyes until I tell them to do so. You have to be precise with these instructions because they might lose their concentration. Then, we wait for a while without saying anything. And then I interrupt the silence and tell them that I want to do small exercises. Eyes are still closed. I want them to get closer to the image of their bodies in front of themselves and look at certain parts: face, shoulder, chest, elbows and so on. After these exercises, I tell them to imagine themselves once again as a whole. We wait once again and then I ask them to explain what they see in themselves when they open their eyes. Of course, this method is easier and is more effective when we test it one-on-one during the consultation sessions. But this is the general framework and I try to apply it to the entire year. What do they gain from these? To be honest, I do not have a magic stick to turn them into entrepreneurs. No one can do that. They have to do it on their own. And these exercises are the first steps of it, because they start thinking and explaining themselves, at least in a deeper way than they used to. (Burcu, interview, 17.11.2008)

In other words, even though the expert obtains the knowledge and experience to direct participants in becoming "ethnic entrepreneurs", she needs their contribution. The more the participants talk about and explain themselves, the easier it gets in terms of guidance. Participants are not docile recipients of any kind of knowledge. According to

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Burcu, it is through a participant's willingness to work on oneself and ability to "open" up different emotions and ideas that an expert can help to develop a "self-help" mechanism.

Depending on the "frankness" partly built up through this therapeutic approach, in which participants try to reflect on what they see in themselves, Burcu also underlines that relations with participants do not remain limited to the activities in *ISI e.V.* For instance, daily visits to Brandenburg at the weekends and gatherings for a coffee or lunch have become the means to building a form of friendship. Although not all experts and participants take part in these activities, guidance in the form of a friendship leads to a relationship outside the institutional framework of *ISI e.V.* and embraces diverse features of daily life.

> We do not talk about taxes or how to apply for micro-credits [laughing]. Not that I would refuse to answer it, but we prefer to talk about other things. Someone is having problems in the family, another complains about German friends or another tells about her holiday in Turkey. You know, the general things in life. Sometimes, I just listen without making any comment and notice how they deal with different problems. Sometimes, I give examples from my own life. At those moments, I am like a sister or close friend. You can give certain hints, but they have to decide what to do in the next step. (Burcu, interview, 17.11.2008)

Yet, according to Burcu, being a woman alongside these activities has a crucial place in her relation with female participants. It provides a sense of intimacy that cannot be generated with male participants. Mentioning the existence of man's position as "breadwinner" in German social policies on the conceptualization of family, she gives examples from her experience and thereby fosters the development of an ability to understand each other among "immigrant women".

> Although I can easily give a thousand examples on the emancipation of women in Germany, well at least in comparison to that primitive mindset in Turkey, I even now experience things that drive me crazy. I guess it was three weeks ago, I went to listen a talk in IBB on micro-credits. After the panel I introduced myself as an entrepreneur on business coaching and asked several questions to one of the Germans. He started telling me that it is hard now to get one of these credits and all of a sudden he added that it might be even harder since women have other responsibilities like family and children. I was so angry. This is just a discrimination against women. "Women have to deal with other things and they cannot concentrate on their work, run the business or they forget to pay the bills". This is so common. And when you insist on saying this is discrimination, they say they are trying to

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> understand women. Also in my last group in ISI, I had a male participant from Indonesia. He was repeating the similar things-- how hard it is for women to run a business, come over the stress, or leave aside their emotions. Almost every day I was having a discussion with him. In reality, if you look at the statistics, you can see that they declare bankruptcy more than woman entrepreneurs. So it is hard for them to comprehend the difficulties that we are going through because we do not speak the same language at those critical moments. (Burcu, interview, 17.11.2008)

Consequently, experts organize most of the activities and appear all the time in formation of the self, or *Selbstbildung*, as an "ethnic entrepreneur" in *ISI e.V.* However, the unavoidable appearance of an expert in this formation is not an unchanging one. An expert is mastering a particular know-how and is in this sense equipped with a pedagogical role to enable participants to get rid of the false opinions or bad habits. Experts have to give participants the necessary tools to practice throughout their life. They have a therapeutic function in the way that they are concerned with the direction of souls through different methods during seminars and consultation services. In its nuclear form, an expert acquires the abilities of a teacher, therapist, director, private counselor, supervisor and instructor. The expert can also be an arbitrator between an institution and a participant, pre-given forms of cultural behavior or a participant acting upon him/herself. Moreover, the eminence of experts in *ISI e.V.* derives from the claim of being an "immigrant woman" in experiencing entrepreneurship. It solidifies a sense of empathy (*Einfühlung*), which might turn into a relationship of friendship in some cases outside the institutional framework of *ISI e.V.* Even the small number of male participants in the history of *ISI e.V.* does not restrain the experts from emphasizing this detail. The expert appears not only as a source for the sets of truth on "ethnic entrepreneurship" but also as a former apprentice, who went through similar experiences at a certain point in her life. However, one has to look at the reflections of a participant to understand the other side of the picture on this "self-help" mechanism.

5.2.2 Through the Reflections of a Participant

Nevin (1968) was born in a small village in Dersim and lived there until the age of 19.

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This was the time when she went to Istanbul to get her visa to Germany because her husband (the marriage was arranged in advance by both families) was living in Berlin with his parents, both of whom started working in a factory in 1967. Since 1987, Nevin has been living in Berlin (the first rupture in her life). She still holds her Turkish passport and does not want to apply for a German passport unless she becomes more active in politics.

> There are a lot of people [stands for "immigrants" from Turkey] that are active in German politics. But they are mostly in SPD [*Sozialdemokratische Partei Deutschlands*, Social Democratic Party] or Grünen. I can understand their choices, because these two have been the most engaged with our problems from the very beginning. But this is not enough. Things have to change in other parties as well. This is a more difficult mission. And that is why I have a membership with CDU [*Christlich Demokratische Union*, Christian Democratic Union]in Neukölln. I do not agree with most of their ideas or programs. But I am trying to challenge them. Some of them think that I am from Spain. Just because of my long hair, you know. Then I tell that I am Turkish, Kurdish and German as if they all fit with one another. At those moments you have to see their faces. You can see that they really got confused. (Nevin, interview, 31.03.2006)

Nevin graduated from primary school in Dersim. After coming to Berlin, she felt "deaf" and hence decided to take German courses for three months. She was not able to look for a job until the mid-1990s mainly because of two reasons (which forced her to experience a different gender role than Yasemin and Burcu had in relation to their families): first, she did not have a work permit and second, it became her responsibility to look after her daughter (1989) until she started the pre-kindergarten.

In 1994 she got divorced (the second rupture in her life) and later on she found her first job with the help of a friend in a balloon factory, where "immigrant women" were working for eight hours per day. According to Nevin, this job was "boring" since they had to sit most of the time and this did not fit her "energetic" personality. After working for seven months she quit her job but found another one in a "German" cleaning firm in 1996. This time she worked willingly. Six months later, she was given the title of a manager and hence became responsible for other cleaning employees in the hospital, though she did not have a certificate (*Meisterbrief*) for that position. Nevin was planning the schedules and constantly checking

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the employees in terms of their efficiency. Shortly after, she was once again promoted and was given a car and mobile phone. Her responsibility was to find new employees and monitor them in their working places, e.g. museums, galleries, conference halls and offices. For Nevin, these additional responsibilities meant much more work than before. Although she was enthusiastic in the beginning, in 1999 she quit the job as she realized that she was not well paid in comparison to the effort she put in.

This was the time when she decided to become an entrepreneur and hence took part in the seminars of *ISI e.V.* Following these seminars in *ISI e.V.*, she set up her own cleaning firm with only one employee in 2000. At the initial stage, she was also involved in cleaning small offices and shops with her employee. Within six years time, she has reached a level of providing 27 full-time jobs, and her company has started to provide cleaning service to offices, restaurants, hotels, hospitals, houses, construction sites and industrial areas. In terms of the development of her company, she underlines the crucial role of *ISI e.V.*

> When I quit my job, I told to myself that I wanted to become an entrepreneur. Maybe it was only at that time that I had more time to plan and think about it. Still, it was a spontaneous decision. A German would have never done it. I went to *Bezirksamt* [municipality]. I said, "Hello, I want to become an entrepreneur, but I do not know what to do." They have consultation offices in there. Actually, I knew that there were a lot courses given by professionals in different parts of the city. I needed to train myself, since I had only a primary school diploma. They sent me from one floor to another. I said, "I have time and will not leave before I get what I want." In the end, I got the address of the institution and started taking intense seminars. Six hours every day. I learned a lot of things: taxes, kinds of social securities in Germany, accounting. I was not that good in accounting though [laughing loudly]. Every day I was in a different world. And I still remember one thing very clearly. It was the last day of our program. The instructor told us that she wanted to give a couple of comments on our chance of being successful if we set up our businesses. We were a group of thirty people and I was not the only one from Turkey. She said to some friends that they should definitely not set up a business and to some others that they needed some more time to reach that level. When it was my turn, I was really nervous. But I believed in myself. She said exactly this, "You should definitely invite me to your opening day". And I did. (Nevin, interview, 27.03.2006)

As Nevin illustrates, the will to take part in the seminars of *ISI e.V.* is not enough to become an "ethnic entrepreneur", even if a participant is able to go through all the

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requirements. Certain personal characteristics are more valued than others by experts and in turn by participants at different stages. Some of these characteristics are constantly repeated in the seminars by experts through different methods (e.g. discussing the reactions of participants after reading a hypothetical situation that they might face in business life). Thus, this knowledge of personal characteristics of an "ethnic entrepreneur" helps participants to consider what they are in relation to a "non-ethnic" entrepreneur. For example, personality tests, which were distributed to participants mostly at the beginning of the course, portray some of these characteristics.

Composed of several questions, these tests do not only represent norms on "ethnic entrepreneurship". That is to say, certain sets of questions have common points that can be stressed under the label of "non-ethnic" entrepreneurship. In this sense, they can easily be conducted on participants of different entrepreneurship seminars and programs. Here, participants are asked to rank statements from 1 (total disagreement) to 5 (total agreement). Example statements include the following: Being an entrepreneur would give me great satisfaction; I am easily discouraged if things do not go my way; I have a strong need to work independently; I need a clear plan before I start doing something; I forget to pay my bills in time; I enjoy trying new things; I often go after my instincts; I can deal with ambiguous situations; I make a distinction between work and leisure.

A general theme appears through this set of questions, which seeks to identify potential entrepreneurs within the group. Assuming the measurability of entrepreneurship, this categorization confirms its authority over participants. For instance, if a participant has a greater need to work independently in her daily life, it is more likely that she will become an entrepreneur. Furthermore, the example from one's daily life practice does not mean that these truths on entrepreneurship can only exist deep inside the participant. Rather, they can be developed and absorbed by learning.

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A more precise set of questions follows these and inclines towards the idea of "ethnic entrepreneurship". This part does not totally exclude itself from the daily life practices of a "non-ethnic" entrepreneur as noted previously. Rather, it puts emphasis on the other of a "non-ethnic" entrepreneur. This other is built upon a pre-given understanding of cultural differences in the practice of entrepreneurship and exemplified in different ways. On the one hand, this part attempts to denote the mentality towards entrepreneurship in a participant's "country of origin"; e.g. the culture in my country has a favorable attitude towards entrepreneurship and the role of an entrepreneur in the economy is generally valued in my country. On the other hand, it aims to outline the point of view of a participant's family on becoming an entrepreneur; e.g. my family values entrepreneurial activity. Moreover, the social relations of the participant are included in this part; e.g. my friends value entrepreneurial activity. Although the "friends" may refer to anyone, the statement is given together with other statements that emphasize the participant's "country of origin"; i.e. "my country". In this context, the phrase "my country" does not take into account whether the participant has a German passport or not and "friends" connotes those with the same "ethnic" or "immigrant" background. As a consequence, the participant is directed in this part of the test to reflect on her family, social relations and "country of origin" as the core elements of this particular kind of entrepreneurship, even though one cannot find a coherent set of techniques provided for "ethnic entrepreneurship".[cxxxiii]

However, the self-reflections do not remain limited to the framework of the personality test. They come into words when participants talk about experiences, and Nevin provides an insight to this appropriation.

> I love passion and responsibility. Responsibility is really crucial. One of the instructors taught us this as well. She was testing us and several times asked "Are you ready to take the responsibility of others, deal with the problems of your employees and their families, work until very late? Do you know why you want to become an entrepreneur?" And until I set up my firm, I did not know that it was hard. I mean really very, very, very hard. But maybe it is in our character. We feel

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> responsible for our families, relatives, and friends. And even for those back in Turkey. The same goes for passion. We are passionate because we are more spontaneous and want to achieve things immediately. That day we met in the restaurant, there were two Turkish men at the next table and one of them was talking about making a profit in his firm's first year. In the first year of your firm? This is not healthy. A German entrepreneur will never say that. A German will say "I will try to survive in the first year. In the second and third years I will solidify the organization". Who is doing what in the firm? Our place in the market. Relations with customers. Only in the fourth and mostly in the fifth they will think about making profit. Money comes in at the very end. They plan everything in advance. They are patient. Of course this is about discipline and hard-working. There are a lot of differences between Germans and us. I am not saying our way is bad or we have to change it. What I learned in the last six years is that passion is breathtaking. I definitely need that. But you have to be careful as well. A lot of firms are closing down every day and mostly they are Turks. We have an important culture, tradition and values. I am glad to keep them as such. But you have to learn some other things from the Germans as well. This is our richness. We can combine these two. And I can see that the young generation is taking steps in this direction. Finally, they are starting to think a bit like Germans, too (Nevin, interview, 14.05.2008).

Here, Nevin introduces her own categorization. This is no longer about who has the potential among participants to become an entrepreneur, as seen in the first set of questions in the test. Rather, it is about the distinction between ways of practicing entrepreneurship, which derives from particular norms of behavior that symbolize a part of the pre-given understanding of culture associated with the "country of origin". Hence, following Nevin's comments, one can imagine a picture where Germans practice entrepreneurship based on their tendency to be hard-working, future planning, self-disciplined and "rational"; whereas "immigrants" from Turkey act in the opposite way: spontaneous, disorganized and "irrational". She discusses these different ways of practicing entrepreneurship during seminars and she combines these ideas with her own experiences in daily life. In this manner, an idea that defines particular behavioral norms of an entrepreneur is not only taken as a form of truth on its own, but also reconfigured through one's recollections.

> I did not know that I was going to have a cleaning firm afterwards. Some of us had some kind an idea of what to do, but most of us had no clue about it. We were learning a lot and at the same time testing ourselves. Who am I? What can I do and what I cannot do? Imagine: I came from a very small village in Anatolia without any idea about big cities, without any knowledge of German. I got married, gave birth to my daughter and then got divorced here. I went through all those difficult processes

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> of getting a work permit. And then a permit to stay. You have to prove yourself not only as a woman standing on your own feet but also as an immigrant from Anatolia. I know my background and I am proud of it. Actually I am planning to write a book about it and will give it first to my father. My father came to visit me for the first time last year. After so many years this was the biggest present for me. He saw how his little Nevin became an entrepreneur in Europe. Okay, my grandfather was a small trader and I always liked that. But I was the only one who left Turkey. I always believed in myself. And of course without my past, I would not have been in this position. I think of it all the time and it makes me happy to see what I have done. This is incredible (Nevin, interview, 27.03.2006).

In these forms of recollections Nevin is able to examine herself. Bringing up her "country of origin" and values attributed to her family, Nevin exercises a form of remembering that defines and describes her and the way she experiences entrepreneurship. Looking at oneself as an entrepreneur enables her to grasp her changing position from Anatolia to Berlin. Yet, this is not about pointing out the domination of one set of values on entrepreneurship over another, which are symbolized by "country of origin" and "place of residence". Rather, it is a reminder not to forget the past or "country of origin", while working in the "place of residence". The recalling is a kind of self-examination in the sense that she questions her progress in relation to what she has become; i.e. a "woman immigrant entrepreneur". This recalling is also a tool that generates a feeling of pride in oneself. Hence, the idea of becoming an "immigrant entrepreneur" has to be recognized, considered and practiced constantly since it becomes a source of pleasure. She illustrates these constant exercises with several examples.

One of the striking examples derives from Nevin's positioning herself in relationships with her friends who want to become entrepreneurs. After our second meeting in her office in Neukölln, she invites me to meet one of her close friends Dilek with whom she will have soup in Kreuzberg. On our way to Kreuzberg with one of the cars that carry her cleaning staff to their working places, Nevin roughly explains her friend's story. Dilek was born in Erzincan and arrived with her mother four years later in Berlin, where her father had already started working in 1967 following her birth. Her younger sister and brother were born in

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Berlin. Nevin draws attention to the fact that Dilek was able to finish *Hauptschule*, which is one of the four options (and the last in the German educational hierarchy) for secondary schooling, and hence got a better education background in comparison to herself. She adds that although Dilek got the support of her family in terms of education and finding an internship afterwards, she preferred to work part-time jobs and was not able to develop a career for herself.

Nevin prefers to talk about Dilek's will to become an entrepreneur in our third meeting before going to a panel, in which Nevin talks about her experiences with entrepreneurship deriving from an "immigration background" in *deGut* (*Deutsche Gründer und Unternehmertage*, German Start-Up and Entrepreneurship Days).

> After these intense seminars I set up my firm. At the beginning it was really hard. I was asking a lot of questions to try to understand how things run in real life. But after a while my friends started to ask me "I want to become an entrepreneur as well, what should I do, where should I start?" Things have come to such a point that now I can tell you who can become an entrepreneur. I just need to spend some time with them, then it is really easy for me to figure it out. For example, Dilek. She cannot do it. She said that she wanted to do something and even had ideas. Of course, I was ready to give any kind of support. But then she postponed our gatherings, kept on working in part-time jobs and received Hartz IV [unemployment money]. She is not willing to engage in so many responsibilities. I asked myself several times "What do I do for my daughter, family in Turkey, friends, my workers, the third generation". Every month I still go to seminars or conferences wherever I find them. To learn new things, to train myself. This means working until very late all the time, even at the weekends. She does not want this. She wants to work less, have minimum responsibility and get money to enjoy her life. I am not saying this is wrong, but it is not possible to set up your firm if you think and act like this (Nevin, interview, 31.03.2006).

On the one hand, Nevin elucidates her traits as an "ethnic entrepreneur" when she compares herself with Dilek. She differentiates herself not only from a German entrepreneur, but also from a friend with an "immigrant background". At the same time, she declares that her knowledge and experience is sufficient to give an opinion on who can become an "ethnic entrepreneur". Similar to her will to write a book on her own experiences, her desire to give advice is meant to be not only for others but also for herself. In a way, she absorbs what she

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has learned and goes beyond this given set of truth by including her interpretation. Even if she does not claim to be an expert like those in *ISI e.V.*, she stakes a claim in making the truth her own. Thus, Nevin thinks, recognizes and even memorizes her practices of "ethnic entrepreneurship" constantly.

In terms of positioning herself, Nevin gives another example following her comments on Dilek. This time she reverses her gaze to popular entrepreneurs who are in Germany and have "immigration backgrounds" from Turkey. She is not in the position to give any advice. On the contrary, she describes the "ethnic entrepreneurs" that she admires.

> Sometimes I think that I might be a good example for other people. Especially, for those from Turkey, who have to face a lot of difficulties. I am not talking about the first generation. That was a completely different story. What I mean is the second and third generations. I think it is a good motivation to have the image of someone in front of you. Just like your hero or *Vorbild*, you know. For me, this is Kemal Sahin [owns a large scale enterprise in the textile industry]. I like him a lot because he started from a zero point as well. Similar to most of those immigrants here. He is not blind to where he comes from. Anatolia. He works a lot. He is open to new ideas. Actually he thinks differently. There is something he says all the time: being honest and having culturally different employees in your firm are the most important capitals to achieve success. And it is really true. Well, maybe that is what I have seen until now. I think most of the Germans like Kemal Sahin because of all these particularities of him. I read his book. Amazing. He is like a school. Another *Vorbild* is Vural Oger [owns a large scale enterprise in the tourism sector]. He is so valuable. I mean these two people are really important for me. They are so competent. I try to go to some of the meetings of Vural Oger when he is in Berlin. I enjoy listening to him. According to Germans, they are really successful. There is another friend. He is not in Berlin. He is also successful but not famous (Nevin, interview, 31.03.2006).

Accordingly, Nevin still continues to train herself to become an "ethnic entrepreneur". This fits also to one of the objectives of *ISI e.V.*; i.e. practicing this form of entrepreneurship in one's entire life.

In this context, reading autobiographies and listening to public speeches of popular "ethnic entrepreneurs" can be taken as rituals of imaging herself. These rituals enable the sets of truth on "ethnic entrepreneurship" to be taken in by Nevin more easily, particularly in the way that she tries to find out similarities between her life and those of entrepreneurs she

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admires. For that reason, these sets of truth do not remain open-ended statements. Although misinterpretation might occur in this process of self-training, through these rituals she starts to develop a contact with sets of truth outside the framework of *ISI e.V.* She seeks truth by paying attention to life stories of her role model (*Vorbild*) "ethnic entrepreneurs". What is at stake in these life stories is not only the prescriptions, e.g. "having culturally different employees", but also the ways of practicing them, e.g. "being honest". Through active attention, Nevin picks up these prescriptions and ways of practicing that she finds substantial and subsequently creates a list, which she can read, refer to or apply properly in her daily life. At the end, she develops another form of memorization on becoming an "ethnic entrepreneur" by not giving advice but rather collecting them. Hence, she examines and identifies herself by standing in the middle of this mutual transfer in terms of collecting and giving sets of truth.

Unlike these examples of positioning herself in reference to a friend (Dilek) or role model (Kemal Sahin or Vural Oger), Nevin also brings in dialogues with herself that constitute a special place in her everyday life. Describing her daily routine as "work, work and work", Nevin prefers waking up early even at the weekends, since she does not "feel comfortable when the day passes so fast". She likes having a small breakfast in a café before she goes to her office every day. Although this small ritual in the mornings does not take longer than thirty minutes, it reminds her of the time lived in Kreuzberg and went to the bakery around the corner from her house at 07.30 to get fresh *simit* (a kind of bagel covered with sesame seeds) before going to work. Since 2005 she has been living near *Wittenberg Platz*, which is one of the expensive areas near the famous shopping district, *Ku'damm*. After arriving at her office, she goes over her agenda with her secretary, who warns her two days in advance about daily meetings, and then enjoys reading the daily newspaper at the office before getting involved in phone calls, meetings or brainstorming with her employees about

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new projects or current problems. She prefers to stay in the office until late unless she has a meeting outside the office or needs to check out her employees in different parts of the city. Internet is also a part of her daily routine, and she likes using it when she needs a break or during lunchtime (since she spends this time in her room unless she is out of the office for a meeting) to find out new seminars that she can attend. However, the dialogues with herself do not appear when she is working at her office or participating in a seminar. Rather, they come out during her leisure time.

> I do not like taking long holidays. Somehow I cannot do that. But there are these moments when you need small breaks, you know. I do not feel like going out of Berlin. I have an *Alevi* [Alawite] friend who owns a good *türkü* [folk song] bar in Kreuzberg. They have live *saz* [stringed musical instrument] performances mostly at the weekends and I love going there with friends and listening to *türkü*. It is just perfect. I get really emotional when they are playing and singing. Mostly I remember my life back in the village. My family, our friends. We used to walk for hours. We had a very beautiful landscape. I spent 19 years there. You cannot forget those days. And I miss it from time to time. But, even these moments do not last too long. Because, all of a sudden, I start thinking about something in the office. Maybe I remember all those difficult things: not being able to speak German, getting divorced, finding a job. Maybe they all made me a bit tough. So even at those relaxed moments I think of things that I was not able to manage to finish. Or something that irritated me at work. These things stay in mind, you know. If I am at home, I can easily take some notes that can remind me the next day to go over it once again. But if I am outside, I cannot avoid that idea. I feel like going home so that I can concentrate on those topics (Nevin, interview, 14.05.2008).

These dialogues that emerge in Nevin's leisure time can be considered as self-reflections. Although they seem to be conflicting, two points exist together in these self-reflections. On the one hand, she thinks about her past in a positive way. This positive perspective is related to the "country of origin", where she seems to have enjoyed her life with less responsibilities, where she did not have to focus on the future as much as she did after immigrating to Berlin. On the other hand, Nevin's memories of this past are interrupted with other snapshots from the past related to her experiences in Berlin. Part of these snapshots have negative connotations and hence make her worried about the future. Being worried about the future comes on stage with reflections on her work related issues. In a

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word, there is a mistrust of the future in the sense that unresolved issues might cause problems and in turn prevent her from undertaking her responsibilities. Nevin tries to leave this thought of a disturbing thing happening by immediately reacting to it. She prefers to be prepared in advance and thinks of alternatives to deal with it in her leisure time, since the idea of it does not leave her free. This self-reflection functions as a test, in which a disturbing thing is mentally simulated to reduce its possible negative impacts.

This is not the only form of self-reflection in Nevin's leisure time. Another form of self-reflection appears more regularly in comparison to the previous one. This form of self-reflection does not interrupt the enjoyment of her leisure time or create a feeling of uneasiness. On the contrary, it evolves together with a pleasant or relaxed moment.

> I do not know what you think but sometimes I feel relaxed when I am at home especially after an intense working day. Of course, my daughter is at home and we are like good friends. So we make tea and just talk about daily stuff or plans for small holidays. Nothing related to work. Well, she is not always in the mood to spend the evening with me. That is normal, I guess. Sometimes a friend of mine comes over and starts talking about things bothering her. We do not realize how the time passes. Then I feel totally relaxed before I go to sleep. But, there is one more thing that I like doing right before I go to bed and sometimes it sounds a bit childish. I just go through what I have done during the day. I make the balance sheet of my day. What was good or bad? What could I have done better in my job? Did I finish everything that I had planned? Is there any progress in comparison to the last week or day before? It does not take too much time to go through all of these points. It is kind of automatic for me. And I have another version of this. It is mostly in the mornings when I am having my breakfast. Only on Sundays I have a long breakfast with my daughter, otherwise it is mostly a croissant and coffee. So in the mornings I think about the things I have to do. I have a calendar and list of things to do for each day, but this is different. This is about my future plans. Wishes. Sometimes it is really creative. For example, this project actually came out of it (Nevin, interview, 23.05.2008).

The project Nevin mentions is her small souvenir shop next to the *Denkmal für die ermordeten Juden Europas* (Memorial to the murdered Jews of Europe), which is between the *Brandenburg Gate* (at the beginning of the famous street *Unter den Linden,* and surrounded by French, American and British Embassies, *Akademie der Künste* and Hotel Adlon) and *Potsdamer Platz* (a busy square and traffic intersection point, full of offices

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owned by big commercial investors, hotels, movie theaters, shopping mall, restaurants, cafes, bars; it used to be a no man's land in East Berlin following the construction of the Wall until 1989 and was then reconstructed in the 1990s improving its image in the 1920s when it began to symbolize the heart of a metropolis). Nevin's souvenir shop is located not only in one of the most popular tourist attraction centers of Berlin but also in one of the focal points of German capital, history and memory.

In the shop one cannot find the typical Berlin souvenirs, like mugs of Berlin's red and white flag with the bear; bags, t-shirts, door mats or key fobs with *Ampelmann* (traffic light man of East Berlin during the GDR); snow globes of the *Reichstag* (German parliament) or *Brandenburg Gate*; magnets of *Berliner Dom* (cathedral), *Siegessäule* (victory column) or *Fernsehturm* (television tower); or small pieces of the Berlin Wall. Rather, in this souvenir shop, which is also designed as a small café to serve different sorts of tea, sandwiches and döner, one can find ceramics, pottery, onyx, copper ornaments and decoration objects with evil eye (to ward off evil and bring luck). However, the center of attention in Nevin's souvenir shop is the *kilims* (tapestry-woven carpets) from Dersim.

> Here [concerning the interior of the souvenir shop], I wanted to be as natural and simple as possible. As if this is a small café somewhere in Anatolia. Most of the things come from Tunceli. The basic idea was to bring *kilims* to Berlin so that I could contribute a bit to the income of people in small villages. They try to make their living out of these, you know. I even remember that some of our neighbors used to sew *kilims* day and night. I do not know much about *kilims*, but all of these are handmade. They are unique. Look at the colors; how simple but beautiful they are. Germans value these things a lot. They like oriental, authentic goods. First, I thought of exhibiting and selling these *kilims* in a showroom. But then I asked myself why not put different things together and make it look more real. And I think tourists like these as well. They do not want to go to those expensive carpet shops. Plus, they do not have the time for it. When they go around this area or visit the *Denkmal* [memorial], they can eat or drink something here and then might have a look at the *kilims*, even if they do not buy them. I am not aiming to make profit from this place in the short run. Actually, I am paying much more for the transportation of *kilims* than the profit I make out of it. This is not a problem since I want to show things from my culture, from the place I came from. I want to represent it in a good way. Especially here in Berlin. Because most of the Germans and tourists do not know about the richness of this culture. And this is my duty. Look at the other shops around here. They do not have such a *Konzept* ["concept," but here she refers to an

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idea that is written in developing one's business plan] (Nevin, interview, 23.05.2008).

Interestingly, Nevin's souvenir shop facing the Memorial of the murdered Jews of Europe recalls an attachment to the village in Dersim, Anatolia and her culture associated within this region and in turn solidifies her feeling of responsibility. This feeling of responsibility is also manifested within the framework of her future project, in which she aims to open an atelier in Dersim. In the atelier, according to Nevin, older women would be teaching younger generations sewing *kilims* not only to professionalize it as the specific art of the region and hence to develop a niche in the economy, but also to preserve the tradition. In this manner, the intention of not forgetting one's culture, background, tradition or history can be practiced in both countries. As a result, the interaction between the souvenir shop in Berlin and idea of atelier in Dersim would be able to produce more than an economic profit for Nevin in the long run.

This interaction functions as a memory exercise and training. On the one hand, this self-reflection paves the way to fix and materialize an idea, i.e. representing part of her culture in Berlin, and then to imagine another one, i.e. reviving the tradition back in Dersim. On the other hand, this self-reflection serves to solidify her way of practicing entrepreneurship. It generates the objectification of knowledge of "ethnic entrepreneurship" by moving from a souvenir shop to an atelier across the boundaries. Thus, Nevin engenders a circle of truths and practices "ethnic entrepreneurship" with memories, examination of herself (e.g. what she has done and will do) and reflections on them in her daily life (e.g. souvenir shop, atelier, talks on her story of entrepreneurship with an "immigration background" in *deGUT*, advice on entrepreneurship to Dilek and reading autobiographies of role model "ethnic entrepreneurs"). Yet, this circle is not a repetitive one. It can be broadened with her new contributions. One of these involvements emerges in the formulations of her business ethic. An example she mentions quite often is the relation with her employees,

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particularly women and "immigrants".

Nevin proudly asserts her development as a woman throughout her life; i.e. from a daughter with 12 siblings in Dersim who used to take care of the younger ones and cook for the whole family, to a single mother in Berlin, from a cleaning worker to an entrepreneur. Reflecting on her background, she wants her firm to function as a school for women. Except for her German secretary (female), accountant (male) and marketing specialist (male) in the office, all of Nevin's employees work shifts every day (e.g. 05.00-08-00 and 17.00-20.00). She does not have any relatives working with her, but out of twenty-seven employees, eighteen have an "immigration background" from Turkey, one from Poland and another from Serbia. Of those who are working outside the office, two of them (male) have qualification certificates in cleaning and hence examine the work that is accomplished by others; another two (male) are responsible for the distribution of cleaning materials going around the city by cars and twenty of them (female) are only engaged in cleaning.

Although male German employees acquire most of the qualified positions in Nevin's company, she tries to indicate her empathy to those that are only engaged in cleaning. In this manner, she recognizes the significance of willingness to work and learn in an employee who has a minimum level of education in comparison to a well educated, reluctant one. She exemplifies this empathy with a project that she has been involved in since 2004 in order to support the "integration" of disabled women into the labor market.

The project is supported by the *Landesamt für Gesundheit und Soziales* (Federal Office for Health and Social Welfare). Nevin has 8 employees within the framework of this project.

> They work in two groups. And always with someone who is not disabled. Well, the duration of work gets longer. I mean, if it normally takes two hours to finish everything, they are allowed to do it in four hours. They are protected by law. This seems to be a disadvantage for the firm, but I think what we are trying to do is more important. Plus, the *Landesamt* pays us for the cost in between. It does not cover everything, but they support it in the end. And I want to do my best. I am not looking at my employees from above. Why shouldn't they have the chance to work and live like everybody? I suffered because I did not have a good education. I

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> experienced that feeling of being alone, knowing nothing except for cooking and looking after my sisters or brothers. But it did not prevent me learning things afterwards. And if people are willing to do it, I am always ready to give them the chance to achieve it. I do not want them to think that they were not given the chance to learn things because they are immigrants and women. I send all of them to different seminars. These seminars are useful for them, to develop their qualifications. This is also how my firm can get bigger and stronger. With new projects and responsibilities. My firm is like my child. It is a part of me. And I cannot separate these two from myself. The firm can only be developed as much as I want it. When people look at my firm, they see a lot of things from me. So whatever I do in my firm is absolutely important. (Nevin, interview, 06.10.2008)

Hence, through this engagement Nevin creates a possibility to look at her past, which does not only motivate her in terms of the progress she has made, but also provokes her to remember her "immigrant background as a woman" that she shares with some of her employees.

Moreover, she points out her willingness to control any image or representation of the company by associating herself strongly with it. This association even evokes a meaning as if her entire life depends on any kind of activity regarding the company. In a way, she has to judge each action that she is undertaking in terms of its consequences, possible meanings and merit. Within this context, her involvement with this project and emphasis on this particular background designate one of her business ethics, i.e. "responsibilities" as an "ethnic entrepreneur". What is also noticeable with this moral attitude is the form of similarity that she attaches between the company and relation with her daughter.

Since the divorce, Nevin has been living with her daughter alone. Being able to raise her daughter and establish/run her company simultaneously paves the way to claim an authority on both, and hence a kind of attachment. Although she speaks about her concerns about not fulfilling the image of a father for her daughter, she seems to be pleased with the role of an entrepreneurial mother in training, which goes hand in hand with the company.

> It was not easy for me to be a father and mother at the same time. I mean she still meets her father from time to time and they have a good relationship. But maybe it could have been different, if we had stayed together. But now I do not want to question this anymore. And she has become a strong girl, just like her mother. She

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> gets used to the facts quickly and then decides on which way to go, you know. Of course, I want the best for my daughter. Who would not want that? I want her to get a good education. And I guess it will be a part of it when she starts her internship here in my firm. She will learn how things work out in here. Accounting, planning, how to talk with customers and workers. I think she has a capacity to learn all of these because she is curious about it. I have brought her with me before as well. She is not totally unfamiliar with what I do in here. This is a good chance to improve herself so that she can run the business after me, of course, if she wants to do it. Because, this is not an easy job. It takes all your time and shapes all your life. Everyone cannot deal with this kind of life (Nevin, interview, 06.10.2008).

In this way, Nevin starts practicing one of her important projects, which intends to unify different parts of herself, namely her daughter and company. At this stage, her object is to equip her daughter with sets of truth that she does not yet know. To a certain extent, she takes up the role of an expert in *ISI e.V.*, who is the master of a particular knowledge and has the means of conducting it. Accordingly, she wants her daughter to gradually memorize and practice these sets of truth, starting from an early age, and under her supervision, since it is a lifelong experience. As someone who has passed through hard circumstances that are not familiar to her daughter, Nevin also claims being a role model (*Vorbild*). From the standpoint of a role model, she does not judge her past or reject her failures, disappointments or unawareness of certain know-how and skills. Rather, she asserts the ways of practicing entrepreneurship correctly, which is substantial for the training of her daughter. In addition to its pedagogical emphasis, where the target is her daughter, this practice operates as a self-examination for Nevin. By directing her daughter into the company and providing the know-how to do things correctly, Nevin reactivates what she has learned during the seminars of *ISI e.V.* and brings in her own interpretations of "ethnic entrepreneurship". Therefore, she maintains the permanent instrument of remembering and operating according to it.

A last example of this instrument of remembering and operating can be portrayed by Nevin's intention to train her daughter in reaction to a particular image of "immigrants" from Turkey.

I think of certain moments in my life. They appear all of a sudden and change a lot

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> of things. Just like the seminars I attended. I was unemployed then. I did not want to look for another job. And I found these seminars. Can you imagine? You are unemployed and you receive money from the state. Well, that was my right since I paid for the social security before, but still it was a good feeling. So I was receiving money from the state and at the same time they were paying for me to develop myself. To train myself in these seminars. I was not able to think of it a lot then. But now, I can. That is one of the things that I really like in Germany. They do take care of you. It is astonishing. Of course, there are missing parts of it, just like everywhere. After this incident, it became clear for me that I cannot expect everything from the state. There are things that they can provide. But I do not like being dependent on others. If I am healthy enough, I want to do it myself before asking for help. For example, I can train my daughter. I can teach her all the things that I know. There are things she learns in the school, but it is also my responsibility to take care of her development. Look at our people [immigrants from Turkey]. They prefer to be unemployed because they receive money from the state. If they try to find a job after the cuts for social security, they can earn one hundred more. Most of the time, they say "why should I bother myself for a little amount of money?" Moreover, they ask a friend, who can give them a job, and they work *Schwarz* [unofficially]. I hate this approach. And believe me, Germans might do it too, but not as much as immigrants. For this reason, Germans think that immigrants try to exploit everything. This is a negative image. We have to change it. And to be able to do it, you have to start cleaning inside your house. That is why I have started doing things in myself, then family, then relatives, then friends. Think of it as a chain. Every single step you make in this chain will affect the others. And I guess Germany needs this more than before. (Nevin, interview, 06.10.2008)

This chain, as Nevin visualizes it, is a "self-help" mechanism, which can work not only through the framework of *ISI e.V.* but also through the reflections of Nevin on her ways of practicing entrepreneurship.

5.3 Concluding Remarks

In this chapter, I tried to illustrate how "ethnic entrepreneurship" can function through a "self-help" mechanism. By pursuing this goal, in the beginning, I looked at the conditions under which *ISI e.V.* has emerged and the features that make its operation possible. Then, I focused on the reflections of two experts and a former participant to explore the ways of practicing "ethnic entrepreneurship". At this point, one can underline certain features of the "ethnic entrepreneurship" in reference to the broader framework of this study.

First, as a non-profit association, the main agenda of *ISI e.V.* is to promote entrepreneurship among "immigrant women". The conditions of this institutional setting can

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be found in the "crises of Fordism", the transition from Fordism to "post-Fordism" and the impacts of restructuring since the 1980s (chapter 2). Developed through a mode of reasoning that emphasizes the self-responsibility of a population, this institutional setting runs in parallel to the policies of Kohl and Schröder administrations and hence addresses the values of enterprising individuals in Germany. Additionally, *ISI e.V.* reflects on the political rationalities at local and regional levels, since this institutional setting acquires the support of the Senate of Berlin and the European Union for its projects. Therefore, it becomes the representation of an institutional setting, which seeks the ways of "integrating immigrants", mobilizing their resources and providing solution to their "problems" (e.g. unemployment, crime, dependence on social assistance, and low language, education and training performances). By cross-cutting the national (Federal Republic of Germany), local (Senate of Berlin) and regional (European Union) modes of political rationality, *ISI e.V.* is the acknowledgement of a "self-help" mechanism, which calls for the self-regulation of "immigrants", particularly those from Turkey.

Second, coming into stage under the features of German reunification, *ISI e.V.* provides reflections on the image and conditions of reunited Berlin and the attempts of "immigrants" from Turkey to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification (chapter 3). These reflections are presented not only through *ISI e.V.*'s spatial location in Kreuzberg and projects targeting different groups among "immigrants", but also through the changes in Nevin's story (from a "dependant married mother" to a "self-employed single mother"). The changes in Nevin's life through the "self-help" mechanism of *ISI e.V.* bring in a symbolic relation with the reconstruction of Berlin (after the fall of the Wall), which seeks to develop its position in the German urban system, maximize the economic capacity of local districts, minimize the "problems of immigrants",

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and benefit from "responsible" position of its "immigrants". By becoming an "ethnic entrepreneur" and "helping herself", Nevin, as an "immigrant woman", becomes a role model (*Vorbild*) in terms of minimizing the social and political costs and maximizing the economic benefits at a local level in Berlin. In this sense, she reaches to a social status that she can conduct her experiences and knowledge on her daughter, friends, employees, "immigrant women" from Turkey and people in Dersim.

Third, the reflections of Nevin and two experts (Yasemin and Burcu) from *ISI e.V.* underline that there is not a coherent way of practicing "ethnic entrepreneurship". This is crucial in rethinking the relations between experts and participants and the interactions between policy makers and experts, because of the body of knowledge on "ethnic entrepreneurship". Although the objectives of *ISI e.V.* are supported by the political rationalities of the Senate of Berlin, Federal Republic of Germany and European Union, the experts have the "autonomy" of conducting on the participants in reference to literature of "ethnic entrepreneurship". Being familiar with this body of knowledge, the experts bring in their own interpretations of "ethnic entrepreneurship" deriving from their experiences and social backgrounds (an outcome of different education levels, family and "immigration" stories, class and gender positions). This is the point that makes the implementation of top-down perspective (from policy makers to experts and hence to participants) about "ethnic entrepreneurship" impossible. Additionally, this body of knowledge reaches another form of interpretation through the reflections of participants. This cannot be seen as a simple internalization process. Rather, it is about the reinterpretation (the first form of interpretation was done by the experts) of a set of techniques on "ethnic entrepreneurship" by the participants themselves. Every participant is set "free" in reflecting on his/her experiences of "ethnic entrepreneurship".

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Consequently, despite possibilities of interpretation and ambiguities, "ethnic entrepreneurship" is associated (by the experts and participants) with values that include but are not limited to one's "immigration background", "interculturality", "country of origin", responsibility for his/her family and "co-ethnic" group, and "integration" to the "host" society. These references to the pre-given identity in one's entrepreneurship operate as means of regulating the relation between a particular population group (i.e. the "immigrants" from Turkey) and economy, promoting the logic of competition and enterprise society in the "tolerant" environment of Berlin, and reproducing a category of othering deriving from an Ordo-liberal understanding.

Endnotes:

[cxxx] My first contact with *ISI e.V.* was during a meeting in January 2006, which was initiated by the *Senatsverwaltung für Wirtschaft, Arbeit und Frauen* (Department of State for Economy, Labor and Women). The meeting was organized to discuss the "integration" of "immigrant" youth to the labor market in Berlin, development of their qualifications, and possibilities and problems of internships in different sectors. It aimed to bring experts from HWK (*Handwerkskammer*, Chamber of Handicrafts) and IHK (*Industrie und Handelskammer*, Chamber of Industry and Commerce) together with "immigrant" business associations, research institutions on immigration and organizations related to the education of "immigrants" in different fields. I was informed about the meeting by an expert (with an "immigration background" from Turkey), who works in a research institution on "ethnic entrepreneurship" and is a member of TDU (*Türkisch - Deutsche Unternehmervereinigung Berlin - Brandenburg e.V.*, Turkish-German Entrepreneurs' Association). He introduced me to two experts (Yasemin and Burcu) from *ISI e.V.*, who were also invited by the Department of State.

[cxxxi] After meeting Yasemin and Burcu, I was able to visit *ISI e.V.* I was mostly introduced to other experts and participants (recent and former) through their initiation. However, they were quite reluctant about my presence at the seminars, which were only given to female participants (project of EFI). They emphasized a possible uneasiness because of the presence of a male gaze. Because of this, I mostly attended the seminars that were composed of male and female participants, i.e. project of EFA. From my visits, I was able to get in touch with participants of the EFI project, once again with the help of Yasemin and Burcu. This allowed me to take part in those seminars and to talk to the participants during their breaks. It was not easy to be accepted into and then to conduct interviews with the participants of the EFI project in comparison with the participants of EFA. My aim to get in touch with former participants, e.g. Nevin, of *ISI e.V.* was also supported by the initiations of Yasemin and Burcu.

[cxxxii] Selin's parents came to Berlin with the invitation of her uncle in 1970. She started primary school in Berlin and stayed with her parents until the age of 12, when she was sent back to Diyarbakır for her secondary and high school education. After she got her degree in landscape architecture in Ege University (İzmir) in 1997, she returned Berlin and stayed with her aunt and uncle, since her parents retired and moved to İzmir in 1996. Coming back to Berlin was an important decision because she had not been willing to go to Turkey when she was younger. She "questioned the past for a while" and decided "not to be dependent on someone else". Consequently, she worked in different short-term jobs to finance herself and studied urban planning in *Technische Universität Berlin* (1999- 2005).

[cxxxiii] An example of this ambiguity can also be seen in the guidebook, entitled *Wie werde ich mein eigener Chef? Ein Wegweiser für Existenzgründerinnen und Existenzgründer nichtdeutscher Herkunft in Berlin* (How do I become my own boss? A guide for entrepreneurs of non-German origin in Berlin). It is prepared by the cooperation of *Senatsverwaltung für Wirtschaft, Techmologie und Frauen* (Senate Department for Economy, Technology and Women Issues), *Investitionsbank Berlin* (Investment Bank of Berlin), *ISI e.V.*, TDU (Turkish

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German Entrepreneurs' Association), TBB (Turkish Federation in Berlin and Brandenburg), *Al-Itihad arabisch-deutscher Frauenverein e.V.* (Al-Itihad Arab-German Women's Association), *Tangens* (Society for the Development of the Intercultural Cooperation, Western and Eastern Europe), *Vereinigung der Vietnamesen in Berlin and Brandenburg e.V.* (Association of Vietnamese in Berlin and Brandenburg), *NIKE Polnische Unternehmerinnen e.V.* (Association of NIKE Polish entrepreneurs) and *Gesellschaft für urbane Wirtschaft, Beschaeftigung und Integration e.V.* Association of Society for Urban Economy, Employment and Integration). Except for the title that underlines the entrepreneurs of non-German origin, the guidebook does not provide any coherent set of techniques for the "ethnic entrepreneurship". See, EKCON Management, *Wie werde ich mein eigener Chef? Ein Wegweiser für Existenzgründerinnen und Existenzgründer nichtdeutscher Herkunft in Berlin* (Berlin: Concept Verlag, 2007).

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INTERLUDE II

In the previous chapter, I examined the constitution of "ethnic entrepreneurship" in Berlin through the example of *ISI e.V* (*Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women) and the insights of two experts and a former participant. Being the first part of my anthropological approach, the chapter tried to underline that there is not a coherent set of techniques for "ethnic entrepreneurship", which can be practiced by the experts and participants. This ambiguity does not renounce the attempts of the Senate of Berlin, Federal Republic of Germany or the European Union in the promotion of "ethnic entrepreneurship". Rather, it solidifies the functioning of this definition and categorization through the initiation of civil society organizations like *ISI e.V.* that have emerged under the conditions of "post-Wall" Berlin in Kreuzberg (one of the "problematic" and "immigrant" populated districts, as illustrated in chapter 2). Although being a woman with an "immigrant background" seems to play a crucial role in the promotion of the "ethnic entrepreneurship", the differences in terms of the stories of two experts and a former participant vary the ways of imagining and experiencing this "self-evident" category. Consequently, "ethnic entrepreneurship", becoming a "self-help" category, is associated (by the experts and participants) with values that include but are not limited to one's "immigration background", "interculturality", "country of origin", responsibility for his/her family and "co-ethnic" group, and "integration" to the "host" society, even though there are ambiguities in its interpretation at the local level.

In the current chapter, I will try to develop the second part of my anthropological approach relying on the story of Rojda, whose company provides health care services especially regarding the "immigrants" from Turkey. In studying the "ethnic entrepreneurship" in Berlin, Rojda's story is connected to the previous anthropological chapter and three historical chapters at different points.

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Similar to Nevin (chapter 5), Rojda is a single mother. She became an entrepreneur at the end of the 1990s in the service sector and her company is located in Neukölln. Although she did not take part in the seminars of *ISI e.V.*, Rojda's memories of and reflections on her past, relations with her family, friends and employees, projects, the company and ways of describing identities (being "Kurdish", "Alevi", "Turkish", woman with "immigration background") also serve as the means of practicing "ethnic entrepreneurship". Rojda's parents and siblings have been in Berlin since the end of the 1960s and she went through different levels of German education system in Berlin (unlike Nevin).

In the previous chapter, I tried to examine the "ethnic entrepreneurship" as a "self-help" mechanism through the example of *ISI e.V.* and the insights of its two experts and Nevin. Now I will focus on Rojda's story of "ethnic entrepreneurship" as a mechanism that "takes care of immigrants" and try to underline its connections to the project of *Quartiersmanagement* (Neighborhood Management) that runs through the motto of "helping others to help themselves". In a way, I aim to portray the complementary figures in "ethnic entrepreneurship", i.e. "self-help" (Nevin in the framework of *ISI e.V.*) and "helping others" (Rojda in the framework *Quartiersmanagement*). Hence, keeping in mind the previous chapter, I highlight that these two mechanisms run in parallel to each other and a clear-cut separation between them is not possible. This is also the point that the current chapter (together with the previous chapter) fits into the historical context of this study.

In relation to chapter 2, this chapter intends to describe the role of a project, i.e. *Quartiersmanagement*, in analyzing the "ethnic entrepreneurship". The project is one of the tools of a program, i.e. *Stadtteile mit besonderem Entwicklungsbedarf - die soziale Stadt* (Districts With Special Development Needs - The Socially Integrative City), and it is supported by the governments of the Federal Republic and *Länder* (states) and the European

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Funds for Regional Development of the European Union. In this sense, the project is built upon a larger program, i.e. *Moderner Staat - Moderne Verwaltung* (Modern State – Modern Administration). Because of this institutional setting, the project can be seen as an outcome of the idea of an "enabling state", which puts emphasis on such principles as society's potential for self-regulation, transparency of public administration and boosts in participation by the people, transition from a society based on industrial production to a knowledge-based service society, performance-oriented and cost-efficient procedures, competing approaches and orientation towards "best-practice solutions", and responsible use of resources. Being shaped under the conditions of this mode of reasoning, *Quartiersmanagement* is connected to the "crises of Fordism", impacts of restructuring since the 1980s and policies of the Kohl and Schröder administrations. Although it was not established as a civil society organization like *ISI e.V.*, one of its main principles is to promote the involvement of civil society organizations, local actors and entrepreneurs in the development of policies. Therefore, Rojda's entrepreneurial activities in the Districts With Special Development Needs represent one of the "best-practice solutions".

In relation to chapter 3, this chapter aims to bring in a micro spatial perspective by describing Rojda's company (its functioning and development), her engagements with the "immigrants" from Turkey and her motivation to take part in the project of *Quartiersmanagement*. Here, the focal point will be the reflections of Rojda not only in terms of her company but also in terms of memories in relation to Neukölln and her family. On the one hand, these reflections will present the "problems" that are associated with the "immigrant generations" in Berlin, e.g. low education and language performances, high unemployment levels and costs on the social welfare state. On the other hand, they will portray the ways of "taking care of immigrants". These ways of "taking care of immigrants" (or "helping others to help themselves" as the motto suggests) have become one of the

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political objectives since the end of the 1980s and especially after the fall of the Berlin Wall. As we have seen in chapter 3, it is during this period that the "immigrants" from Turkey get involved in a process in terms of finding a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification. In this junction, Rojda's company, relations with her family, employees and patients, and engagements in different districts of Berlin will provide the insights of this attempt, i.e. finding a place for the "immigrants" from Turkey. These reflections will also present the changing images of Rojda (from an "immigrant background" woman working in a clinic to a single mother and an "ethnic entrepreneur") and the "immigrant generations" (her parents as the "first generation", Rojda and her brother as the "second generation", and her children as the "third generation") keeping in mind the ruptures of Berlin, as outlined in chapter 3.

In relation to chapter 4, this chapter aspires to underscore the contribution of scholars/experts on "ethnic entrepreneurship" from a point of view that can also form a complementary perspective with chapter 5. In other words, one has to consider the differences between the experiences of Nevin and Rojda in terms of the contribution of experts on their entrepreneurial activities. For example, Nevin's relation to the experts of *ISI e.V.* emerged and developed at the beginning of her entrepreneurial career. This will not be relevant in Rojda's story, since her relation with the experts that promote "ethnic entrepreneurship" came into play at a later stage of her career. Accordingly, one can argue that a person with an "immigrant background" does not need the guidance of an expert to become an "ethnic entrepreneur". This formulation can be seen in connection with one of the main arguments of this study: "ethnic entrepreneurship" is not conducted on "immigrants" by the experts and institutions within a top-down perspective and hence the "immigrants" do not simply internalize this body of knowledge as such.

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In addition, the chapter will draw attention to the forms of relation between the "ethnic entrepreneurs" and the experts and institutions. For example, Rojda's relation with the experts (e.g. Fuat, a male figure) and institutions (e.g. *Quartiersmanagement*) that promote "ethnic entrepreneurship" will develop through her membership to the TDU (*Türkisch-Deutsche Unternehmervereinigung Berlin-Brandenburg e.V.*, Association of Turkish-German Entrepreneurs' Berlin-Brandenburg). In this sense, one cannot talk about the role of an expert that can be found in the institutional and historical framework of *ISI e.V.* Here, Fuat seems to acquire the role of an arbitrator (between institutions and Rojda) rather than a teacher, therapist or director, even though he provides consultancy services in the framework of TDU to the "immigrants", who experience difficulties in their businesses or want to establish their companies. Through the role of an arbitrator, Fuat not only tries to make Rojda's experience of "ethnic entrepreneurship" more visible as a "best-practice", but also inspires her for the development of a new project that has insights from *Quartiersmanagement* and the motto of "helping others to help themselves". At this point, it is also crucial to emphasize that in the case of *ISI e.V.*, the formulations and methods of experts in mobilizing the "potential" of "immigrants" through "ethnic entrepreneurship" do not run together with the urban monitoring or development projects (e.g. *Quartiersmanagement*), even though their target group lives in "immigrant" populated districts.

As a result, keeping in mind that there is not a coherent set of techniques for "ethnic entrepreneurship" that can be put into practice (chapter 5), this chapter will bring in an example that explores how this "self-evident" category can be utilized by "ethnic entrepreneurs" themselves, experts and institutions with a particular focus on "immigrant" populated districts in Berlin.

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CHAPTER 6

"ETHNIC ENTREPRENEURSHIP" THROUGH THE MECHANISM OF "HELPING OTHERS" IN A SPATIAL FORM

Neukölln Rockt
(Daniel Boese, *Zitty Berlin Das Hauptstadtmagazin*)

The front page of *Zitty Berlin*, a bi-weekly publication with movies, festivals, museums, performances, fashion, exhibitions, shopping, restaurants, cafes and galleries in Berlin, was entitled *Neukölln Rockt* (Neukölln rocks) in March 2008. At the end of March, it was Yakup, who gave me the magazine and pointed out the article when I spoke with him in his transport and car rental office in western part of Kreuzberg. His office was close to the intersection of Mehringdamm, a north-south axis from *Hallesches Tor* (one of the historical gates of Berlin) to *Platz der Luftbrücke* (known after the Western Allies' massive logistic support to western sectors of Berlin as a response to Soviets' blockage in 1948), and Gneisenaustrasse, a west-east axis from *Curry 36* (a small restaurant famous for its *Currywurst*[cxxxiv] since 1980) to Hermannplatz in Neukölln. His office, between a *Döner* restaurant and a small café, was also close to subway stations *U6* and *U7*, and had a panoramic view of different parades like *Karneval der Kulturen* (Carnival of Cultures) that has been taking place annually since 1996.

In the article *Neukölln Rockt*, Daniel Boese described the transformation in Neukölln (a "problem" district in terms of "integration" of "immigrants", unemployment and youth violence), which could be seen in new bars, cafes and restaurants similar to the ones in trendy Prenzlauer Berg (a neighborhood in former East Berlin) (2008).[cxxxv] He also referred to an architect, two artists, a fashion designer and two music producers, who were working in Neukölln. They defined the district as being "flexible", "fast", "new", "not ghetto" and in the process of acquiring an "entrepreneurial spirit". Considering one of the projects that was put

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into practice to solve the "social problems" in *Rütli-Schule* (as a *Hauptschule* in the district it became a symbol of school violence and "integration" of "immigrant" youngsters in 2006), Boese concluded his article by proposing the entrepreneurial spirit of Neukölln as a small stage, which could produce a "multicultural economic miracle".

When I finished reading the article, Yakup, with a cynical smile, started to explain two of his analogies regarding Boese's arguments. First, he was reminded of the arrival of his father and then the rest of his family to Berlin in 1970. Although the so-called *Wirtschaftswunder* (economic miracle) was mostly related to the 1950s and 1960s, Yakup stressed the hard working conditions of his father and many other "immigrants" from Turkey during the 1960s and 1970s, and hence their unavoidable contribution to the West German economy. According to him, the article was a declaration of the importance and need for economic engagement of "immigrants" forty years later. But this time, it was a declaration of involvement in the form of entrepreneurship. Second, "social problems" (unemployment, violence and "integration") were not unique to Neukölln. Similar problems in Kreuzberg have also been mentioned several times by policy makers. For him different projects had been implemented for Kreuzberg under the label of *Multikulti* (slogan of multiculturalism popularized by political parties and social actors in Germany) and now they have been expanded to the current situation of Neukölln to serve as a catalyst. Therefore, the article and his analogies, according to Yakup, explained the significance of entrepreneurship among "immigrants" "even in a small street" mainly because of their willingness to engage with the social milieu. This potential was discovered by the policy makers as a result of the fall of the Berlin Wall.

> Until the 1990s, for Germans, we were living at the border of Berlin. The border between West Berlin and East Berlin. The fall of the Wall changed a lot of things. Now, Kreuzberg is at the center of Berlin. Capital of Germany. And of course they don't want the growth of problems here. They don't want the deterioration of their image. Do you remember the discussions in Berlin during the demonstrations in Paris, when they set cars on fire? I tell you: Germans were discussing if that could

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> also happen in Berlin or not. This was not long time ago. So they have to benefit from our potential. This is not only an economic potential. We have an important asset. I know who is doing what here. I know the problems of my neighbor. *Dönerci*.[cxxxvi] He is in next door. Because we talk every day. Sometimes I go there, sometimes he comes here. Besides, I see and talk with a lot of people during the day. Automatically you become a *sarraf* [moneychanger]. *İnsan sarrafı* [literally, moneychanger of people]. So you know what is going on in the streets. Now, they know that this is really crucial. Why do you think that they set up things like *Quartiersmanagement* [Neighborhood Management]? *Bezirksamt* [municipality] is trying to develop new projects with us. These things didn't happen all of a sudden. They aren't stupid. They are aware of our capacity here. Did you talk with Rojda [his elder sister] about these? She has a lot of experiences too. (Yakup, interview, 30.03.2008)

What I found impressive that day was Yakup's ability to engage with his milieu as an entrepreneur and his astonishing energy to give me various examples of this during the rush hours in his office. If I had been asked to define a multitasking person that day, I could not have given a better example than Yakup, who was running from one part of his office to another, signing a new contract of transportation to Poland, talking to customers on the phone about prices and conditions of rental cars, asking budget calculations of the previous year from his wife, and ordering tea from the *Döner* restaurant next door. Unfortunately, this was my last talk with Yakup, since he had to declare bankruptcy and shut his office two months later. Emphasizing the stressful period that he was going through, he was reluctant to meet me in the next few months. Later on, as I learned from Rojda, his stressful condition got even worse after he had received the local court's decision to charge him a large amount of money to be released from prison because of tax rate manipulations and misuse related to transportation regulations. Yakup's story was the "second tragic event", as Rojda called it; the first was the death of his mother in a traffic accident in 1992. This was also a surprise to me, just like to his friends and family.

During one of my visits to Rojda's office in Neukölln in the following days, I witnessed some of Yakup's friends talking about why and how he had manipulated tax rates and transportation regulations or how he could have behaved so "irresponsibly" towards his

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family. However, the first thing that came to my mind at that moment was his last comments on the significance of entrepreneurship among "immigrants," "even in a small street". What is the use of a shop owned by an "immigrant," except for in the buying and selling of goods and services? What does the owner provide to the street? How does the owner become *insan sarrafı* and what happens after that? What are the roles of *Quartiersmanagement* and local municipalities? Are there other actors? Who decides that a shop owned by an "immigrant" has potential? Is it valid for every street in Berlin? These were the couple of questions I wrote to my notebook when I left Rojda's office that day.

Based on the earlier comments of Yakup and questions that came to me in Rojda's office, in this chapter I will try to reflect on how "ethnic entrepreneurs" are constituted within a spatial understanding. Keeping in mind that there is not a coherent set of techniques for "ethnic entrepreneurship" that can be put into practice (chapter 5), I will focus on Rojda's story of "ethnic entrepreneurship" as a mechanism that "takes care of immigrants" and try to underline its connections to the project of *Quartiersmanagement* that runs through the motto of "helping others to help themselves". This reflection on the mechanism of "helping others" (Rojda in the framework *Quartiersmanagement*) will help to complement the mechanism of "self-help" (Nevin in the framework of *ISI e.V. -Initiative Selbständiger Immigrantinnen e.V.*) in the constitution of "ethnic entrepreneurship".

6.1 Taking Care of "Immigrants" as the Motivation to do Business

It was my first visit to Rojda's new office on *Karl-Marx Strasse*. It is one of the big streets in Neukölln that is between *Hermannplatz* on the north (border of Kreuzberg municipality) and *A 100* highway on the south. It runs parallel to two other big streets, *Sonnenallee* (used to be intersected by the border between East and West Berlin) on its east and *Hermannstrasse* on its west. *Karl-Marx Strasse* is one of the lively streets, which is occupied not only by restaurants, cafes, offices, supermarkets, kiosks, pharmacies, small

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stores with various products (e.g. cosmetics, clothes, electronic and photographic equipment, jewelry, toys and sporting goods) and houses, but also by a big shopping mall, churches, branches of different banks, movie theaters, an opera house, a puppet museum and the main building of the Neukölln municipality.

Her previous office, which I had visited several times, was on the southern part of the same street and closer to the *S-Bahn* (suburban train) and *U-Bahn* (subway train) stations of Neukölln. It used to be the only office (ground floor) in a four-store building. "Immigrants" with whom she had daily contact rented other apartments in this old building. Although the previous office looked like a small place from outside, the interior was a combination of two apartments, and hence provided big rooms for her employees. Yet her current office is located on the fourth floor of a seven-story building, in which one can find offices of a physiotherapist, insurance company, lawyer, dentist, advertisement company and pharmacy. The rooms in this new building are smaller but able to benefit more from the daylight in comparison with her previous office.

While I was going from one room to another with Rojda, she was explaining problems in the infrastructure of her previous office as one of the reasons for the search for a new place. It was a big coincidence that this new office was for rent, since she did not want to move out of Neukölln.

> I grew up in Neukölln after my father brought the whole family to Berlin in 1970. There used to be tobacco, chocolate, beer and coffee factories nearby. A toy factory, too. They are all gone. A lot of people became unemployed. Some of them moved out of here. Others are still dealing with hard conditions. I didn't want to go out of here, because I have good memories in Neukölln. To stay here is something emotional for me. So I was lucky to get into this office. Plus, everyone knows that we are in Neukölln. Sometimes it is good to stay where you are. It is easy for most of the people to find us. On the other hand, if you change your location all of a sudden, people will be curious. They will ask "why did you move?" or "what was wrong?" Sometimes it has the same effect when you change the name of your company. They will think that you are involved in trouble and want to get rid of a burden. So to change the name and place all of a sudden is not good. It is not meant for me. (Rojda, interview, 26.02.2008)

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Being accustomed to people in the neighborhood, concern for customers and her memories since childhood played an important role in keeping her office in Neukölln. In addition to the affordable real estate prices in comparison to other districts as a reason to stay in Neukölln, Rojda quickly added that she could have found cheaper offices through her friends in other parts of the city. For her, running a business in Neukölln meant more than making a profit. It was about her engagement "to integrate immigrants to the German health system, develop the integration of women, especially those that came from Turkey as "import brides" and provide family friendly job opportunities for women". Neukölln has been a symbolic place of "commitment". This drive to engage with "immigrants" in Neukölln is reflected in her decision to become an entrepreneur.

Rojda was born in 1960 and stayed in Sivas until she was ten years old. Her father came to Berlin in 1969 and a year later he brought his wife and all of his children (two daughters and three sons). He was a shepherd but was also involved in the trade of animals. As a result of a conflict with his relatives, he left the village. After working as a waiter in a restaurant in Ankara for three months, he decided to look for a job in Istanbul. His application to *İş ve İşçi Bulma Kurumu* (employment service in Turkey that was providing the list of potential workers to Federal Labor Office- *Bundesanstalt für Arbeit*, BfA) got accepted and he signed a contract with a transportation company, where he was responsible for carrying goods from one truck to another. For Rojda, the job was not humiliating but physically hard for her father, which led him to look for other jobs through his friends in Berlin. At the end of this search, he got a job in the hospital as a cleaning worker and worked there until his retirement in 1999. Unlike her father, who left primary school in the third grade, her mother was illiterate. Rojda describes her mother as a "typical housewife, who took care of the children, cooked and cleaned in her entire life". After her arrival in Berlin, she became more engaged with the household and new living conditions for two years. Yet at

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the end of 1972 she also got a job as a cleaning worker in order to support the economic condition of her family and worked with her husband in the same hospital until the traffic accident in 1992.

Rojda, just like her sister and brothers, went to *Hauptschule* reluctantly, since "it was a school for students who do not have capacity to learn and do not want to study". According to her, she was not able to change the situation since her parents did not know anything about the German education system. They were "uneducated" and did not refuse to register their children at the *Hauptschule*. Her parents did what they were told by teachers in the school and friends of her father. This gave Rojda an impetus to go further in her education.

After *Hauptschule*, Rojda went to *Realschule* for one year and got her degree to carry on her internship as a nurse. Actually, her decision to become a nurse was influenced by her parents, who mentioned the social status and salaries acquired by nurses in Germany. According to Rojda, this was the time that she fell in love with her husband and wanted to get married. But her parents required her to become a nurse in order to get married. She did her internship in a sanatorium and became responsible for the elderly.

Following this one year of basic education, she worked in a hospital for three years. Working as a nurse was a hard job for her, since in Germany one had to take care of all the needs of a patient, "unlike in Turkey". She quit her job and was admitted to the psychiatry department of the same hospital in 1990. During this time, she also decided to go to *Hochschule*. Yet, she did not complete her *Hochschule* education mainly because of an opportunity to attend university without a degree. As she put it, this was a special offer to attend university if one had four years' working experience and a degree from *Realschule*. She had already been working as a nurse in the psychiatry department of the hospital by the time she got into the university in 1993. After getting married in 1995, Rojda gave birth to her first daughter in 1996 and her second daughter in 1997. Her work experience enabled her

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to finish the pedagogy department of *Technischen Universität Berlin* within seven semesters. Her patients in the hospital constituted the subject of her *Diplomarbeit* (diploma project). She wrote her project on the relationship between drug addiction and law on foreigners and hence got her degree at the end of 1997.

Until 1999, Rojda worked as a nurse on drug and alcohol addiction in the hospital. Although she liked her job, the condition of her patients created a kind of uneasiness in her daily life, mainly because of her intense "engagement" with them. She was feeling physically and mentally exhausted. To overcome this uneasiness, she took part in amateur theater performances and started sewing at night. Rojda also started providing day-care service for elderly at their own houses. She was providing this service at the weekends. As she put it, this was an alternative income opportunity, since she was not working more than twenty hours per week in the hospital.

During the same period, she started a part-time job in a doctor's clinic. In this clinic she was keeping the records of patients who were predominantly "Turkish immigrants". Thus, it became an instrument of "networking" (another means of "networking" was the parents of her patients in the hospital), where she could find new patients for her day-care service. A kind of unofficial agreement (between the doctor and her) allowed Rojda to look for new patients through this clinic. Yet, the doctor (born in Rize, Turkey), who had studied medicine in *Freie Universität Berlin*, proposed that they set up a day-care service together in 1999. This was the chance she had been looking for.

> At the end, I knew what I have to do. I had been working as a nurse for the last nine years. I had a lot of patients. He was just a doctor. He didn't have any experience with day-care service. He said that he had been trying to set up this day-care service for three years. Unfortunately, he wasn't able to accomplish it. I was not surprised about this. I mean, his field was medicine and of course I respected him a lot. But, I trained myself in pedagogy and social consultancy. This is my profession. I know all of the details. It was a good opportunity for me. So we set up the company together. He owned half of the company and I owned the other half. At the beginning we applied for credit in his name. By then, it was around 100,000 *Deutsche Mark*. But I wrote the *Konzept* alone within two weeks. All of the details. I prepared the

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> documentation of patients. I dealt with all bureaucratic things. He didn't have any idea about these details. He just renovated the office. I have to be honest now. It was his idea to set up the company, but it was me who realized this idea. I formed the structure and functioning of the company. (Rojda, interview, 13.04.2006)

However, at the end of three months the doctor resigned from the partnership and transferred all of his rights to Rojda. According to her, the main reason for this decision was the economic crisis and his miscalculation of start-up capital requirements. The credit that they had received from the bank was not enough, since the cost of eight nurses per month was 36,000 DM. Under these circumstances, Rojda considered herself lucky to be able to ask for financial support from her brother, Yakup, and her father. Through this financial support from her family and her own savings from previous jobs, she was able to run the company and even became more confident about the future of day-care service.

This confidence has a symbolic implication, through which she makes a linkage to her family background and the purpose of engagement with "immigrants".

> I don't know how, but I knew that I was going to survive after he left. The burden was already on my shoulders. Accounting, bills, records, patients, everything. He was in his clinic most of the time. He thought that we could have many patients and make profit in a short period. Of course, things didn't work that way. Thankfully I had Yakup and my father. They sent me money whenever I asked for it. But, there was another part of this story, which kept me on this track. Basically, it was my motivation for this job. The official opening of the day-care service was on the first of May. This is an important date for me. This is the day of all workers. Actually, it is for all the people. So this job is my commitment to the people. It is a commitment which I can prove that I do take care about their health. Because they need it. Maybe it is my destiny. It sounds weird but listen. My father was a shepherd until he came to Berlin. I am proud of this, because his flock was really important for him. Those sheep were not only an economic means. They meant more than that. He had given names to all of them. From time to time he still tells his stories about them. After so many years, one can still see their value in his eyes. It is the same story with my mother. She gave birth to us one after another and then looked after us during her entire life. She devoted herself to us. She did a lot of things for us. These may sound like easy things, but believe me they are not. So right now, I think it is my turn to take care of them. That is what I have seen from my family. And I want to keep on doing it. Of course, in a different manner. What I am doing here is giving people the quality of life they want to have when they get old. I didn't know that I could make profit out of this. At the beginning I had one question in mind: Why are immigrants from Turkey not taken care of? This is also something that I ask to myself: How do I want to get old? (Rojda, interview, 13.04.2006)

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Rojda interprets the official opening date of her office as a symbol of her engagement with "immigrants" from Turkey. According to her, the motivation, i.e. not to make profit but to provide what they need and hence to take care of them, suits very well to her will to be socially responsible for them and to the connotation of May Day. During our talks, she was addressing the importance of May Day for her in reference to hard working conditions, homesickness, misery and social failure of her parents' generation especially by giving different examples from the parents of her patients in the hospital and her father's retirement because of psychological difficulties. Although she continually emphasized her distanced position from politics, the opening of her office in May Day can be seen as her "devotion" to the "immigrants" from Turkey, especially to those elderly who have the feeling of being "wretched". Her German citizenship does not prevent her "immigration background" from developing a form of empathy for them. Hence, this "insider" position enables Rojda to generate a self-reflection on imagining how she wants to get old.

Additionally, the symbolic association to her mother's engagement with her children, and particularly to her father's engagement with his flock, in describing her motivation for day-care service, speaks to Foucault's analysis of individualizing power. Investigating the development of power techniques oriented towards ruling individuals in a continuous way, Foucault concentrates on a period associated with the pastoral modality of power, which precedes doctrines of government with the idea of *raison d'État* (from the 16th century until the middle of 18th century).

This is a period that directs Foucault's attention to Greek philosophy, antiquity and early Christianity. In this manner, he follows a broad semantic domain, in which "to govern" refers to

> ...movement in space, material subsistence, diet, the care given to the individual and the health one can assure him, and also to the exercise of command, of a constant, zealous, active, and always benevolent prescriptive activity...to the control one may exercise over oneself and others, over someone's body, soul, and behavior...to an

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> intercourse, to a circular process or process of exchange between one individual and another. (Foucault 2007, 122)

According to Foucault, metaphor of flock in the idea and organization of pastoral power, commonly found in the Mediterranean East (especially in ancient societies of Egypt, Assyria, Mesopotamia and Judaea), rests on the relation between God, king and man. In a word, God, as the shepherd of men (who are his flock), has entrusted his flock to the king (subaltern shepherd), who should restore them at the end of the day to God. This power of the shepherd (God leading man as a shepherd leads his sheep) has three features (Ibid., 125-9).

First, the shepherd's power is not exercised over a territory, rather over a flock in its travel from one place to another. It goes ahead and reveals the direction that people have to follow and hence it is exercised over a "multiplicity in movement". Second, the aim of this pastoral power is the salvation of the flock, i.e. its subsistence. The shepherd feeds the flock, makes sure that sheep do not suffer, treats those that are injured and keeps an eye out for possible dangers, misfortune or evils that may threaten the members. The shepherd's role, as a duty or a job to be undertaken, is to direct all his care towards others, never towards oneself. Third, the shepherd directs the whole flock, but also looks after each member of the flock individually. He has to pay attention to and know the flock as a whole and in detail. Thus, pastoral power is an individualizing power, in which an eye on all and on each should be kept with an endless application.

At this point, relying on Foucault's illustration of pastoral power particularly in the Mediterranean East, her mother's engagement with her children and her father's engagement with his flock represent examples of "devotion" for Rojda. These are "devotions" under difficult working circumstances both in Berlin and back in Sivas. The appealing side of this "devotedness" intensifies through her nursing experience, which she had also chosen with the influence of her parents. Thus, taking care of people had already taken a crucial place in her own understanding of "devotion" through public (hospital) and private (houses of elderly)

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spaces before she set up her business. As a result, day-care service in the framework of her company has acquired a symbolic duty to keep an eye on the "immigrants" from Turkey. It is one of the effective means for Rojda to indicate that she pays attention to them, tries to know each one of them in detail, engages with their problems and acts for their well-being.

However, one can inquire: How does Rojda take part in the development of a pastoral technology to take care of "immigrants"? Can this pastoral understanding be the predominant way in taking care of them? And if not, what other kinds of technologies are utilized within these continuous and complex relationships? In order to clarify these questions, it is significant to look closely at the services provided by her company, specifically the types of day-care services and their daily functioning.

6.2 Methods of Taking Care of "Immigrants"

Rojda had to get a special certificate in order to run her company, since Germany's healthcare system was going to pay for the services her company would provide. This certificate is one of the obligations of the healthcare system that is funded by individual tax contributions until the age of retirement. Therefore, immediately after the doctor had given his notice, Rojda registered in a certificate program and received her diploma in 2001. Once she held this certificate, she was allowed to provide day-care service in patients' homes.

This service provides alternatives for patients who are predominantly "immigrants" from Turkey (with only 5 German patients out of 180). For example, a mother, who is pregnant with her second child and categorized as high risk by the hospital, has the option to be supported by Rojda's day-care service following the recommendation of doctors. In this situation, one of her family-workers (equipped with basic nursing knowledge) takes care not only of the mother's health, but also of the first child's daily needs, who will be protected from "any psychological uneasiness in the absence of mother." Additionally, this family-worker helps with different activities including light housecleaning, changing linens,

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cooking, monitoring diet, giving reminders to take medication and show up to appointments, and providing assistance with telephone calls, walking, dressing and bathing,.

According to Rojda, there are several advantages to this service option. For the family, it makes a form of social help possible by taking care of the first child's needs and helping with the household activities. For the healthcare system, it significantly cuts back the cost of the mother's daycare, from 600 Euro each day in the hospital to 50 Euro for 5 hours each day in the patient's own house. For the employees, the service runs seven days a week and is separated into shifts. Although this is already a hard working condition, the schedules offer advantages for employees: they do not have to work every day and they can trade shifts when personal situations arise. However, flexible working hours also brings out small conflicts among employees and hence, Rojda prefers not to make any changes unless there is an extraordinary situation like illness or a family problem.

Apart from these family-workers, Rojda also provides daycare service through her nurses and their assistants.

> We call them nurse assistants. They, for example, help the patients have a shower. They take care of their medicine or take them to their doctors. But they also go out shopping with them or have a cup of coffee. Social activities are also important for these patients. The nurses are different; they go through different internships. They have certificates for intensive care nursing. This kind of service exists in only three places in Berlin and we are one of them. I am proud of this. We have a very young patient. He depends on a special machine. I mean, he can breathe in only with this machine. So this requires intensive care. Our nurses are with him 24 hours, working in 8 hour shifts. He was 4 years old when he started this intensive care, but now he is 8 years old. If the machine is turned off, that means he is dead. So the nurses have to take care of every step. Besides, he has to continue his social life. We take him to the school. A nurse always stays with him there. When he sleeps, a nurse has to be next to him. Check out the machine and do different tests from time to time. He cannot cough on his own, so we have to make sure that there is enough oxygen in his body. Nurses have to be on alert all the time. This is a very hard job, because only one mistake can cause a great danger or can even end his life. So you can imagine the responsibility that we have to undertake. We have to give our best. (Rojda, interview, 13.07.2006)

The common point for these different types of day-care service is that a nurse or her assistant or a family worker (predominantly women) does not have to accommodate the

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needs of more than one patient at the same time. She has to take care of a single patient throughout her daily schedule. The form of care is individualized. It becomes individualized to such an extent that she can be engaged with her patient in numerous places, including at home, school and in a café. But this is not only about place. It is also about being in touch with patients in different time frames such as during shopping or while the patient sleeps. Hence, daycare service goes into the details in the lives of each patient. It collects information not only on a patient's physical condition, but also on psychological well being during daily life. Keeping these detailed records enables the daycare service to know about patients' memories as well, including their childhood, their "immigration" story and working experience. Additionally, through daily engagements, daycare gets in touch with patients' families (and in some cases with friends) and hence their lives, problems and well being. By building upon the details of an individual, daycare service has a capacity to reach, store and make use of information about people connected to the patient. However, it is crucial to underline that this service does not function only on the individual form of care.

In 2003, Rojda established a daycare center with the motto, "culture specific service." The center is part of an old hospital building: *Krankenhaus Moabit* (built in 1872), which is famous not only through its connection to physicians like Robert Koch (a founder of microbiology and identified with sterilization of surgical instruments and tuberculosis), Werner Forssmann and Lydia Rabinowitsch-Kempner in German medical history, but also because of its milieu.[cxxxvii]

The milieu of Rojda's day-care center acquires a symbolic meaning. Passing through the park *Kleiner Tiergarten* that is located between two streets (*Trumstrasse* on its north and *Alt-Moabit* on its south), one can walk from Rojda's day-care center to the offices of the Federal Ministry of the Interior, which is placed in a horseshoe-shaped building with its towers facing the *Spree* River. The center is two blocks away from the Criminal Court (*Kriminalgericht*)

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building (the largest court building in "Europe") and the star-shaped prison (*Justizvollzugsanstalt Moabit*) adjacent to it, both of which are also located between *Trumstrasse* and *Alt-Moabit*.

Although the hospital facility was closed down in 2001, the spatial presence of these four buildings (hospital, criminal court, prison and ministry of interior) marks the institutional control in this part of Moabit that has historically been regarded as a working-class neighborhood. This picture becomes more interesting when one looks at the large number of "immigrants" or "permanent residents who are not of German origin" living in Moabit (which has constituted the boroughs of *Mitte* together with *Wedding, Gesundbrunnen* and *Tiergarten* since 2001) (Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz 2009, 60). The following goals of the Federal Ministry of the Interior, with its symbolic location in this part of Moabit, highlight the framework of a constant gaze: guaranteeing internal security of a "welcoming", "tolerant", "modern" and "innovative" Germany, managing and controlling immigration, "integration" of "permanent residents who are not of German origin," improving German language proficiency, preventing crime, ensuring the awareness of values anchored in the constitution, modernizing state administration and reducing bureaucracy.[cxxxviii]

Within this symbolic and spatial setting, Rojda's center functions on a collective understanding of care, unlike the one provided at patients' houses. According to her, the center is like a kindergarten. Each patient is picked up from her/his house in the morning and brought to the center by nurse assistants (07.00 - 09.00). Patients have breakfast (09.15 - 10.00) together in the center under the supervision of nurses. Following breakfast, they are taken into the garden for morning gymnastics, which might also take place in one of the big rooms, depending on weather conditions. During these sessions (10.30 -12.30), some patients (especially elderly under dementia treatment) participate in small brain exercises, for

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example calling the person with a red ball to pass it to another. After these morning gymnastics and brain exercises, patients participate in ergo-therapy and can choose one of several activities like painting, sewing and bingo games. Those that are not interested in taking part in this ergo-therapy can opt to use the massage bed. At the end of this morning program, patients have lunch together (12.30 – 13.15). As an "immigrant" from Turkey, the cook prepares a daily menu from the Turkish cuisine based on patients' diets and nurses' recommendations. The afternoon program generally starts with a resting session (13.15 – 14.30). It is followed by a physiotherapy session, led by an expert who is not part of Rojda's center. In this intense period (14.30 – 15.30), patients can also participate in different activities, including dancing, listening to music and group talks. Before they are brought back to their homes (from 16.15 onwards), patients are served tea and coffee with cakes, biscuits or cookies (15.30 – 16.15), during which time talking about daily lives and problems is encouraged by nurse assistants.

Within this structure of day-care, it is not just the individual, but the whole group that is considered. Although nurses and their assistants are able to treat each client individually, directing the group toward more social interaction among themselves is the foremost intention in group dining, living, rehabilitation, activities and therapy. Group totality is maintained in each step (breakfast, lunch, gymnastic and various games) with a precise time schedule. Through this totality, an identity among the participants becomes apparent. It is an identity that underlines the need to be taken care of collectively, through which each individual can observe the reaction of others. During these interactions, each individual can treat her/himself to a certain extent. Sharing an "immigration background or experience" facilitates this form of care. Ascribed to its totality, this form of care also generates knowledge on this shared "background" by observing and comparing different aspects of it.

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In this way, they are not left to the private sphere of their families and a constant and caring attention becomes possible through nurses and their assistants.

This is not, however, a constant attention and production of knowledge on the entire "immigrant" population. All expenses of the patients are covered by the healthcare system. This necessitates a detailed cost-benefit analysis. Doctors appointed by the system have to decide whether or not a person can benefit from this service, depending on her/his health condition. Factors like family circumstances, or ability of the person to walk on her/his own also play a big role on this decision making process. Additionally, doctors have to pursue the minimization of economic costs. In other words, the cost of this collective form of day-care service should be less than the sum of patients' individual costs, so that only "immigrants" under certain situations are eligible to be taken care of in the center.

Yet, in 2007, Rojda opened her second office in Wedding, which is only three kilometers away from the daycare center in Moabit. This was followed by a third office in Kreuzberg (2008) and a fourth in Steglitz (2009). At the end of the summer of 2009, a fifth office (with a projected completion date in 2010) was already completed. According to her, opportunities and demand for day-care service will increase in the near future because of low fertility rates and the growing percentage of elderly in Germany.

> There are already a lot of daycare centers for Germans or Russians in Berlin. This is going to be the case for our people as well. There is a dominant thought about us here. "The big Turkish family will take care of its members". Once I was talking with a person from *Krankenkasse* [term for health insurance companies] about one of my patients, who needed an injection of medicine for two weeks. In order not to increase the cost of my patient, he said "We don't have to arrange a nurse because I am sure the family can make this injection." This is ridiculous. I never had this comment when I was working in that German hospital. German patients would go crazy if they got this comment. Well, we might have big families but this doesn't mean that they can do everything. How can a big family know more than me about dementia? I worked as a nurse so many years in the hospital and then here we have been dealing with them. We have a special certificate for the treatment of dementia. Plus, believe me, there are a lot of first generation immigrants that have to be taken care of in these centers. The thing is you just don't see them at the streets or cafes. Most of them stay at home, because they are afraid of going outside or getting in touch with people. Here, my mission is to take them out from those places they hide.

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> And I can do that through my knowledge and experience. (Rojda, interview, 26.02.2008)

Depending on these two (individual and collective) forms of day-care, Rojda gathers a detailed and huge set of knowledge. But what is the uniqueness of this set of knowledge that makes her daycare service "culture specific"? How is this knowledge stored and utilized in her company? At this point it might be illustrative to reflect on the organizational and conceptual structure of the company.

6.3 Context of "Culture Specific" Service

When Rojda moved her office to its current location in Neukölln, she also made a change in its organizational structure. This central office, divided into different sections in terms of work, has primarily a planning and control function.

There is a social consultant and a nurse, who are responsible for creating the files of patients in their initial appointments. While the consultant prepares the record of a patient's basic information, e.g. social security number, age, marital status, address, employment history and family members' living and working conditions, the nurse gathers the history of her/his health problems, reports of a doctor appointed by the healthcare system and most recent information on her/his health condition. The social consultant and nurse also organize the communication with patients' families. Although they engage with different sets of knowledge on patients, it is obligatory for the social consultant and nurse to be able to carry out each other's tasks. The definition of such a duty is one of the main distinctions from Rojda's old organizational structure. With her new organizational arrangement, such a duty is applied to all sections in the office. In other words, in the absence of a social consultant, the nurse should be able do her job and vice versa. In terms of physical working space, these staff members are located in the patient waiting room, and share a big desk with other office documents. Hence, the social consultant and nurse are the most visible staff members. This working space is separated from two other sections with a movable room divider.

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On one side of this movable wall, there is a small working space for the accounts manager. He not only prepares annual and monthly budget plans for the company, but also prepares cost-benefit analyses for new projects. The company has a freelance accountant, but all documents go through the accounts manager, even though they work in close contact.

On the other side of the room divider, one can find the information center. For Rojda, this is the most important section in her company. Here, two employees work simultaneously on all of the documents: entire history of a patient and her/his family, reports on her/his development since the beginning of treatment, letters to the families, reports of the doctors from healthcare system, details of bank accounts, money transfers, budget plans and taxes, employment histories and contracts of the staff, every document that was sent to or received from the health insurance companies and weekly, monthly and annual working plans.

All of these documents are saved on the computers of these two employees, and separately on two data domains. Although one of these data domains is kept at the office, the other one (directly linked to the first one) is in Rojda's house. Every piece of information added to this database by one employee can be checked up from the other's computer, as well as the data domains at the office and at Rojda's house. These data domains also keep video records of this space through a camera system installed only to this section. Last but not least, spatial order of this section provides a general surveillance system.

The big table that both employees work beside is fixed to the divider. This wall makes them invisible to the social consultant, nurse and patients in the lounge area and to the accounts manager. This order also enables them to use the wall as a huge planning area, on which someone standing behind their table can see the division of labor in terms of family workers, nurses and their assistants, distributed according to districts, patients and schedules. However, this information center is not invisible from all other sections in the office. Behind this table facing the wall, a door opens up to a separate room and allows one to keep an eye

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on every movement in the information center. Through a big glass window in this room, one can also keep an eye on other parts of the office.

In this separate room there are three employees. Their distribution of work is organized according to the districts that Rojda's company is most active in, namely, Neukölln, Kreuzberg and Wedding. Every update about a patient is delivered to the employee responsible for that district. A copy of this knowledge is submitted directly to the information center, through the central computer system. These three employees regulate every kind of contact with family-workers, nurses and their assistants, as well as with the daycare center and other offices. They are also responsible for the payment of bills and wages of employees in their districts. Once again, each of these employees will be able to do the jobs of the other two districts. Hence, this room functions as an administrative heart of the office.

Within this organizational and spatial structure, Rojda is the only one without a fixed working place. This flexibility gives her the ground to go around to the different offices several times during a day and establish a spontaneous form of control on her employees and tasks that are accomplished. She not only goes from one table to another in the office, but also visits the daycare center in Moabit, and offices in Wedding, Kreuzberg and Steglitz several times during the week. These offices are intended to lessen the workload of the central office in Neukölln. Although the central office is well known by most of her patients and has the crucial role in terms of organizational structure, the other three offices try to develop more direct and closer relations with patients, to provide new information on patients' health conditions and to pass on requests to the central office and serve as logistic points for nurses, assistants and family-workers, who have to go to different districts each day. Two employees are in charge of all the work in each office, including keeping the records of patients, offering consultations and informing the central office on social activities in their districts, in which the company can benefit in terms of advertisement.

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Behind this continuous control and surveillance, "managerial responsibility" as Rojda calls it, there is a story of "betrayal" by one of her employees.

> I was about to fly with my daughters for a holiday in Turkey when I received a call from the office that inspectors of *Krankenkasse* got a complaint about our records. We were accused of fraud. That was a trauma for me. I was so sure that everything was working so perfectly. Records, taxes, bills, everything, everything. They found out that records about our patients were missing. The bills that we paid on time were not there. I was not able to prove anything. Of course, they didn't tell me who made this complaint about us. But that was a big sabotage for my company. So at the end I had to pay 95,000 Euro. They took one of my certificates. Now I have that certificate once again. Well, in total I have five certificates: intensive care, dementia, day-care center, day-care service at home and medical care. Anyway, I was not able to work as a manager for two years. I transferred all my rights as a manager to a friend, who was working with me here, but now she is one of my enemies. At the end, *Krankenkasse* was not able to take all my certificates because I had eighty patients and they were not able to organize their care. After a while, we figured out who made that complaint. He had been working with me since 2003. From the beginning onwards he was so jealous of my company, because he had tried to open up his own day-care service before. But he didn't succeed. The husband of one of my employees made him talk when they were drinking in a café. Under the influence of alcohol he explained how he manipulated the records. Of course, I was not able to do anything. I prepared all the records by myself once again. I didn't trust anyone else. I worked night and day. And now I have all these camera and data systems in the office. (Rojda, interview, 26.02.2008)

Following this initial surprise audits at the end of 2004, her company went through 11 more audits by 2009. Even though she stresses the idea of "sabotage" to the company, Rojda also admits that through these constant checks, she was able to correct several bureaucratic shortcomings in record keeping according to the format required by *Krankenkasse*. Additionally, she used this process as an opportunity to increase the quality of service by putting extra obligations (concerning a detailed treatment of patients during the care service) on her nurses, assistants, family-workers and employees in the offices. This transformation in her company enabled Rojda to prove the quality of service to "such an extent that inspectors took our brochures for their German patients."

However, distrust accelerated when Rojda's friend, who was given all managerial rights for two years, wanted to change the company's organization. Although she had known her friend for more than fifteen years, this attempt of reorganization was considered as a "threat"

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by Rojda. This conflict was resolved after her friend resigned and opened her own daycare company with the support of some employees from Rojda's office. Remembering this instance as another "shock", Rodja underlines the need for continuous checks as a result of "enemies", "distrust" and "threats" all of which may emerge at any point under the conditions of competition.

> I am not a person that thinks negatively. I had to learn something from all these things. At the end, if you want to do something useful for the people that you care for, it is normal that you will have enemies. This is the old rule of competition. But this does not make me to give up my goal. It proves only one thing: that my company has become a kind of symbol or school for people around me. These people were working with me and now trying to run their own companies. I taught them what they know. If they talk about me in a negative way, people will ask them "Didn't you learn anything from her throughout all those years?" They don't understand that if they talk this way, it is still going to be an advertisement of my company. If my company still exists in this market, it is because of my investment to knowledge. I send my employees to different certificate programs regularly. This is necessary for my job. Plus, I am giving a culture specific service. And I know what my patients want from me. This is part of my knowledge as well. (Rojda, interview, 18.05.2008)

Thus, her knowledge on medical care and culture specific needs of patients (which is guarded through organizational and spatial structure of the office, training of employees, camera system and data domains) builds up the competitive power of her company against "threats" and "enemies." To demonstrate the complexity of this culture-specific service and her knowledge on care, *abdest* (*al-wudū* in Arabic, *ãbdast* in Persian and *destnivêj* in Kurdish) can be taken as an example.

As a hygienic understanding in Islam, *abdest* is the practice of washing parts of the body (hands, mouth, nose, face, arms, head, ears, neck and feet) with water (and soil in shortage of water) that a Muslim is obliged to do. This ritual of partial ablution is required for a physical and spiritual sense of cleanliness, or purification in preparation for prayer every day. Since an invalidation (through emission of semen or blood, vomiting, defecation, passing gas or urination, falling asleep, fainting or loss of senses and sexual contact with another person) is regarded as physical and spiritual dirt, an awareness of this ritual is called

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upon at different moments of daily life. While at daycare, *abdest* is practiced according to the request of patients.

Taking "immigrants" from Turkey as the target group of her service, Rojda draws attention to the performance of *abdest* as a "traditional" and "cultural" form of care among elderly. Although they may not be physically capable of daily prayer, *abdest* is carried out not only at the houses of patients but also in the daycare center of Moabit. The ritual of this partial ablution does not take place five times (as the official number of calls for prayer) a day. It is mostly performed under the control of family-workers and nurse assistants (predominantly women). Even though the patient may demand it more than once in a day, which rarely happens according to Rojda, it is integrated into daily bathing service. Hair cutting or body shaving that takes place on regular basis can also become a part of this ritual. However, all these changes to the prescribed definition of *abdest* do not irritate the "cultural" understanding of her patients. What is more important, as Rojda puts it, is the "respect" for a patient's cultural norms and the intention to perform certain rituals.

Following this comment on "respect" for cultural norms, Rojda starts to describe her example of *abdest* in reference to the cleaning methods of patients that are defined according to the contracts of the healthcare system in Germany. Although cleaning a patient can take place in a bed without making the patient to stand up, or in a bathtub filled with water, her patients prefer to stand under running water throughout this process. For her, this preference has to do with the understanding of hygiene in Islam, no matter if the patient is an Alawi or a Sunni.

> I have to make something clear, that here I am giving service only to the first generation. And do you know how important it is to be clean for Muslims? Even if you are not a believer, you feel attached to certain values. Especially if you get older, the fear of death becomes more apparent. Your fears multiply each day. Together with this fear, you would like to get rid of all the dirt that surrounds you. You want to be cleaner, because you want to adjust certain things in your life. And this feeling is very normal. For this reason, care of the body is the most essential thing. These people experienced certain values and we have to respect their values.

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> You have to respect their culture. Here, it does make a difference to them to clean themselves under running water. (Rojda, interview, 18.05.2008)

Since a time regulation of seven minutes for the cleaning process of a German patient is not sufficient for her service, Rojda claims that they have to work more than a German daycare service.

Despite this conflict- "working in a German system according to the culture of immigrants" as she puts it- Rojda gives extra attention to training her employees on the understanding of hygiene in Islam and "values" in Turkey. Although she sends her employees frequently to the medical care programs or seminars given by experts of healthcare system in Berlin, this unofficial extra training (carried out and guided by Rojda) is necessary to better understand the problems and needs of patients. As "first generation immigrants," they had already experienced limited German in their daily lives, which engendered a kind of fear of various local authorities (e.g. during bureaucratic procedures in foreigners' registration office or municipality, during family meetings with their children at school, during regular check-ups in the hospital, and even when receiving mail from the local telecommunication company asking about the renewal of contracts or advertising new price offers). Addressing their resultant reluctance to engage in social contact outside their homes, Rojda intends to develop a better means of communication with her patients. In this manner, her policy of employing people with an "immigration background" who have to go through her extra training aims to make the patients express themselves easily in their "mother tongues" and in reference to their "cultural values". This endeavor creates a special value, which she formulates under three headings.

First, such a dedicated service makes a patient believe and feel that "we do take good care" not only of a patient's health, but also of his/her needs. This feeling creates a "trust" mechanism. Emerging from the relationship between patient and nurse (nurse assistant or family-worker), this trust is eventually associated with Rodja and then her company. This

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association via patients and their families spreads around and in turn functions as an advertisement of her company. Yet, what is more essential than a reputation is the fulfillment of Rojda's initial goal to engage with "her people" (in this context particularly "first generation immigrants") through this trust mechanism.

Second, this endeavor targets to improve the education and qualifications of women with "immigration backgrounds," and to contribute to their "integration" in Berlin. According to Rodja, it is a good chance for her employees to prove that they can look after themselves. At this point, it is also interesting to note that Rojda identifies herself as "not a feminist, but I support women, who are oppressed by their families or husbands."

Third, and as a result of reflecting on the second point, she underscores the role of enthusiasm for knowledge in developing herself and her company. This "investment to knowledge" prevents her from becoming a "burden" on the German state. Rather, it encourages her to be more productive and valuable for her milieu, which has already been recognized by local authorities in Neukölln. But what does it mean to be productive and valuable for one's milieu (e.g. Neukölln)? And how does Rojda accomplish it in relation to the framework of her company?

6.4 Helping Others to Help Themselves: Quartiersmanagement

During one of my visits to Neukölln, a powerful description of an "ethnic entrepreneur" came from the economy consultant of local municipality (*Bezirksamt*), Clemens Mücke. His particular focus is economic development of the district. According to Mücke, Neukölln had a transformation in the figure of local entrepreneurism in the late 1990s. This is a transformation from the small grocery store identified with *Tante* (aunt) *Emma* to the family grocery store of *Onkel* (uncle) *Ahmet*.[cxxxix]

A grocery store owned and run by an elderly German character, popular especially during the 1950s of West Germany, symbolizes not only a consumption pattern of

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inexpensive, low quality, everyday goods, but it also provided a location where the inhabitants of a neighborhood could have daily conversations on different issues. *Tante Emma*, known by all inhabitants of the neighborhood, was, to some degree, aware of their problems, needs and daily lives, even if she could not always help or support them when asked. Hence, she is an "insider".[cxl]

Although the grocery store owned by the character of *Ahmet* (between 45 and 65) with an "immigration background" has not grown in its size, one can notice the change in variety of goods (if not always in terms of quality and price) in comparison to *Tante Emma*'s store. According to Mücke, *Onkel Ahmet* (Arabic, Kurdish or Turkish as his mother tongue) is largely supported by his family members in running his store. Through this family labor force (low or un-paid), he can keep his store open for a longer time during the day. Most of his customers are inhabitants of neighborhood and have an "immigration background," even if his goods can also appeal to the German customers. Similar to his elderly German counterpart, *Onkel Ahmet* is renowned in the district. Yet, he is a more engaged "insider". Coming from the same "immigration background," he is familiar with the problems and needs of the "immigrant" population and wants to provide his help and support by mobilizing his experience and knowledge (if not always financial capital). He is willing to take responsibility for the "immigrant" population that he acquires the same "background".

In order to describe the importance of this transformation for various parts of Neukölln, Mücke enthusiastically gives details about the "ethnic entrepreneur" through an analogy between *Onkel Ahmet* and a football trainer. A football trainer knows all of his players very well. He knows the physical condition, technical capacity, performance under pressure, ambition, family and friend relationships, needs and problems of each player. This is valuable knowledge for developing the physical and technical performance of each player, for integrating each one into a certain position in the team, for creating the most effective

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tactics during the game and hence for increasing the success of his team as a whole. His guidance, based on this knowledge and his experience, has a decisive role in achieving the most satisfactory goal of that year: the championship. He is ready to take all the responsibility of his team under different circumstances. Within this state, there is no good or bad trainer. According to Mücke, this formulation can also be applied to an "ethnic entrepreneur" or *Onkel Ahmet*.

Following his analyses, one can portray the image of an "ethnic entrepreneur" in his/her milieu. The "ethnic entrepreneur" concerns him/herself with a certain population in a specific territory. His/her knowledge and concern are focused on the inhabitants of a neighborhood in Neukölln, even if he/she might know more than this group in Berlin. This group of people might work or spend part of their daily lives in other districts of the city, but they are counted in various statistics based on surveys conducted on the inhabitants of this specific territory. This knowledge and concern might be developed because of a business strategy, in which they constitute the target group in terms of his/her goods and services, or an "immigration background" that they share. Additionally, this knowledge might be composed of different terrains; e.g. family status of the inhabitants, number of offices and shops, quality of housing, school performance of children, health conditions of "first generation," rates of unemployment, crime and violence around the neighborhood, situation of roads, parks or other public places, distribution of labor force according to different sectors, and general consumption patterns. This set of knowledge is not kept in terms of records or officially recognized documents, but it enables the "ethnic entrepreneur" to have a cognitive map of inhabitants' daily lives. Hence, his/her engagement with "immigrant" inhabitants and knowledge about neighborhood are valuable for Neukölln. Acknowledgement of this value on different spatial contexts has been made through the projects like *Quartiersmanagement*.

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Broadly speaking, *Quartiersmanagement* is one of the tools of a program, i.e. *Stadtteile mit besonderem Entwicklungsbedarf - die soziale Stadt* (Districts With Special Development Needs - The Socially Integrative City), created with the initiation of federal and *Länder* (states) governments. The program of *soziale Stadt*, with the participation of different neighborhoods across 16 *Länder*. It aims to deal with the "problems" (e.g. "integration" of immigrants, dependency on the social security system, low education and job-qualifications, crime and unemployment) of "disadvantaged" areas and hence improve local living conditions.[cxli]

However, one has to locate *die soziale Stadt* within the framework of another program defined by Schröder's coalition government (SPD- Bündnis 90/Die Grünen) in 1999, i.e. *Moderner Staat - Moderne Verwaltung* (Modern State – Modern Administration). Intending to redefine the relation between "government as a whole and society," the program promotes the idea of an "enabling state," which

> ...opens a future-oriented perspective taking into account the different understanding of the roles of the state and administration. Together with an actively participating society we will be able to successfully steer a middle course between, on the one hand, merely making the state leaner and, on the other, too much intervention by the state and excessive regulation. This requires a high degree of flexibility and the preparedness for reform on the part of all parties concerned - the public administration and its staff, the citizens and the other players of society. (Federal Ministry of the Interior Secretariat 1999, 7)

This art of "how not to govern too much" (*à la* Foucault) is built upon four principles. First, it is about "a new distribution of responsibility" between state and society, where this model

> ...must create a new balance between state duties, individual initiative and social commitment. This will shift the focus in such a way that the state becomes less of a decision taker and producer and more of a mediator and catalyst of social developments which it cannot and must not control on its own. The enabling state means strengthening society's potential for self-regulation and guaranteeing the necessary freedom of action. (Ibid., 8)

Second, deriving from this "new distribution responsibility" it is pointed out that a responsive

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public administration will be possible with the exchange of various information between state and society. Hence,

> ...the federal government wishes to enhance the transparency of public administration and boost participation by the people. To this end, the state and the administrative system will have to prepare themselves for the transition from a society based on industrial production to a knowledge-based service society, and use the possibilities offered by information technologies as a basis for keeping citizens informed and for communicating with them. (Ibid., 8)

Third, development of co-operation among levels of governing, e.g. federal, *Länder* and local, will allow a "diversity within unity," and provide "more room for maneuver". In this sense,

> ...the federal government strives for closer co-operation between the different tiers of administration and, where possible, greater freedom of decision. Its aim is to strengthen the preparedness of people to assume responsibility for themselves, to give more weight to the principle of subsidiarity and to foster diversity within the federation by reducing the number of federal government provisions. (Ibid., 9)

Fourth, the understanding of efficiency becomes the overarching theme aiming for a responsible use of the resources. Therefore,

> …more performance-oriented and cost-efficient procedures are an essential contribution of the administration to the enabling state. State action must meet the requirements of efficiency and effectiveness. Administrative processes must be reviewed in order to avoid superfluous red tape. This can be achieved through competition and benchmarking. Competing approaches and orientation towards "best-practice solutions" help those concerned to optimize administrative processes and create viable structures. (Ibid., 9)

Acquiring a particular place within this model of *Moderner Staat – Moderne Verwaltung*, project of *die soziale Stadt,* calls for the involvement of inhabitants in various urban district developments. It aims for the monitoring of "problem" creating areas through this self-help organization, which works closely with federal, *Länder* and local authorities. Intended to work within this broader picture, *Quartiersmanagement Berlin* has been coordinated by the *Senatsverwaltung für Stadtentwicklung* (Senate Department of City Development) and local municipalities of Berlin since 1999. Its funding has been composed of the contributions of the Senate of Berlin, European Funds for Regional Development

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(EFRE) of the European Union and the federal government. The total number of these "problem" areas in Berlin reached 33 (17 previously existing and 16 new added) in 2005 and 2 existing areas were enlarged (Senatsverwaltung für Stadtentwicklung 2008, 2).[cxlii]

These 35 "problem" areas are in different boroughs of Berlin: Mitte (8), Neukölln (9), Friedrichschain-Kreuzberg (8), Tempelhof-Schöneberg (1), Pankow (2), Spandau (3), Treptow-Köpenick (1) and Marzahn-Hellerdorf (3). In order to monitor and develop these areas, four management categories have been created.

Intervention is the general theme that applies to the first (methods previously tested) and second (new district management methods) categories. The first category refers to 16 "highly problematic" areas (6 in Neukölln, 6 in Mitte, 3 in Friedrichschain-Kreuzberg and 1 in Marzahn-Hellerdorf), whereas the second category is associated with 9 "medium problematic" areas (3 in Friedrichshain-Kreuzberg, 2 in Neukölln, 2 in Marzahn-Hellersdorf, 1 in Mitte and 1 in Tempelhof-Schöneberg).[cxliii] Moreover the third category is set to prevent further negative developments and promote "networking". It is designed for 4 areas (3 in Spandau and 1 in Neukölln).[cxliv] Last but not least, the fourth category works with the motto of long-term sustainability and tries to secure the resident-run processes and structures, which is also composed of 4 areas (2 in Pankow, 1 in Treptow-Köpenick and 1 in Kreuzberg-Friedrichschain).[cxlv]

At this juncture, it is crucial to note that "problem" areas in Friedrichschain-Kreuzberg (except for Boxhagener Platz), Neukölln, Mitte, Tempelhof-Schöneberg, and to a certain extent those in Spandau and Pankow are also categorized as "immigrant" intense areas, whereas Marzahn-Hellersdorf and Treptow-Köpenick are marked as minimally "immigrant" populated areas. Interestingly, such a mapping fits very well to the demographic analyses of *Amt für Statistik Berlin-Brandenburg* (Office of Statistics Berlin-Brandenburg) and *Sozialstrukturatlas Berlin* (Social Structure Atlas of Berlin), which is prepared with the

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cooperation of *Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz* (Senate Department for Health, Environment and Consumer Protection) and *Senatsverwaltung für Integration, Arbeit und Soziales* (Senate Department for Integration, Labor and Social Issues).[cxlvi] Additionally, mapping of certain "problem" areas in reference to the notion of "immigration background" particularly targets "immigrants" from Turkey, even if they have German citizenship.[cxlvii]

Although goals of *Quartiersmanagement* seem to have changed when compared to the "starting conditions, problems and resources" of each "problem" area, it might be possible to outline its areas of action as follows:

> Social and ethnic integration – improving neighbourly community life; Employment and education for local residents, placement on the primary labor market; Economic revitalization, support for the local economy; Redevelopment and modernization measures, improving the residential environment, linking investment measures in urban renewal with non-investment social and employment measures; Improving the transport infrastructure and accessibility; Improving the social and cultural infrastructure, integrating infrastructural facilities such as schools, youth and senior-citizen facilities etc, into district work, the promotion of children, young people, and families; Improving (residential) security in the neighborhood; Public relations, image development. (Franke and Löhr 2001, 11)

By pursuing these goals, *Quartiersmanagement* works to activate the commitment and responsibility of residents in "problem" areas through the motto of "helping others to help themselves" and hence intends to cooperate with cultural, religious, and other associations (especially sports clubs) and "networks". It also intends to work with urban renewal advisory boards, tenant advisory committees and associations, youth committees, crime prevention committees, city marketing bodies, sponsors and sponsoring organizations active in the district, churches, schools, local business people, local retailers' associations, representatives of the housing industry, representatives of the political parties in city and district councils and Local Agenda 21 groups.

Acknowledging the differences in terms of "conditions, problems and resources" of each area, projects that are put into action seek out the most "feasible and appropriate"

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solutions. What is at stake is not construction of similar and homogenous areas. Rather, it is about responsibilization of the inhabitants. In order to achieve this responsibilization, various sets of knowledge about the "problem" area and its inhabitants acquire priority in the scope of these projects. Consequently, existing potential, capabilities and resources of the inhabitants turn out to be the main-forces of *Quartiersmanagement*. To benefit from these resources, which require the participation and activation of inhabitants, it is required to operate with three strategies.

First, experts of each *Quartiersmanagement* office try to get in touch with already existing associations or initiative groups directed by inhabitants of the area. These experts, deriving from their research interests and specialties, attempt to support and develop ongoing projects. Second, they make an effort to directly reach the residents of a given neighborhood. This direct contact is set up to get feedback on their daily lives in the area, and to encourage their possible contributions in solving certain "problems." Third, they provide a stage for the inhabitants to take part in organization or association through resources allocated by local governments. In carrying out these strategies, experts utilize different means, e.g. street parties, activating surveys, visiting work, inspections, neighborhood walks, local newspapers, competitions, workshops, advisory services, public debates and art projects. In this context, developing projects with the "ethnic entrepreneurs" of "problem" areas clearly corresponds with the projects of *Quartiersmanagement* offices. For example, Fuat's consultancy service on entrepreneurship, which is directed only to those with an "immigration background" runs simultaneously under the cooperation of certain *Quartiersmanagement* offices of Neukölln, Friedrichschain-Kreuzberg and Spandau.

After studying economics in Ankara, Fuat continued his studies in *Freie Universität Berlin*. Recalling his leftist activism during the years in Ankara, Fuat mentions his studies in Berlin as a necessity because of his family's fear, as well as his own, of the military coup

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d'état of 1980 in Turkey. Finishing his studies in Berlin (with the financial support of his father's shop in Turkey), he was able to meet Barbara John (from CDU), who was the first Senate's Commissioner of Berlin for Integration and Migration (*Der Beauftragte des Senats von Berlin für Integration und Migration*, from 1981 until 2003). Working with Barbara John was a crucial step in his career, since the Commission for Integration and Migration was the first example throughout the Federal Republic. Fuat also carried out his consultancy service in the framework of TDU (*Türkisch-Deutsche Unternehmervereinigung Berlin-Brandenburg e.V.*, Turkish-German Entrepreneurs' Association Berlin-Brandenburg). Especially since the late 1990s, he has been working in different research institutions with a main focus on entrepreneurship and qualification seminars for those with "immigration backgrounds."

Fuat's involvement with *Quartiersmanagement* was a consequence of his previous project, which was conducted in two different neighborhoods of Berlin between 1996 and 1999. Although the scale of these two neighborhoods were smaller than *Quartiersmanagement*, he was not only providing consultancy service on entrepreneurship, but also visiting shops and offices owned by "immigrants" and gathering information on their family and "immigration" stories. According to Fuat, this previous experience laid the groundwork for his project in *Quartiersmanagement*, because getting in close contact with "ethnic entrepreneurs" is the most crucial part of "mobilizing the capabilities" in a neighborhood.

For Fuat, the services set up by institutions like IHK (*Industrie und Handels Kammer*, Chamber of Industry and Commerce) Berlin or IBB (*Invenstitionsbank Berlin*, Investment Bank of Berlin) are either expensive for "ethnic entrepreneurs" or short of means to develop close contact with them. Although these institutions promote entrepreneurship of those with "immigration background", their programs require a guarantee for repayments or success in the market. These "heavy organizational structure and old calculations", as Fuat puts it,

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prevent the owners of these small shops from sharing their problems with experts. Even though they have a "big potential" for their neighborhoods, "ethnic entrepreneurs" do not have the time, financial instruments or knowledge to increase their capacities. In this sense, they try to find "survival strategies" on their own. Regarding this gap between institutions and "ethnic entrepreneurs" in their milieu, Fuat offers consultancy service, organizes seminars and develops "social networks" among entrepreneurs to channel their potential, which seems to be the "most efficient" solution to the "problems" like unemployment or crime. This is how Fuat also got in touch with Rojda and her company in Neukölln.

According to Rojda, it was through Yakup, who pushed her to get a membership in TDU (in order to benefit from its "social networks" to find new customers for himself), that she found Fuat's project in the framework of *Quartiersmanagement*. Discovering the location of Rojda's company during the process of her membership to TDU, Fuat visited her in Neukölln and introduced her to his engagement with this project for the neighborhood. For Rojda, in the beginning, Fuat's explanations and request of support in different initiatives sounded like "one of those bureaucratic stuff", which she considered a form of dependency on the state. She did not want to be dependent on more rules, since she was already "taking care of immigrants" in these "problem" areas through her own means of engagement.

Rojda gives her way of communication with her employees, who live in Kreuzberg, Neukölln or Wedding, as an example of this engagement. As a result of her employment policy that is geared towards "women with immigration background," Rojda has only 12 male employees (2 in the office of Neukölln, 1 cook, 2 service drivers and 7 in day-care center and offices of Wedding, Kreuzberg and Steglitz). Out of 220 employees, 50 nurses and assistants work in intensive care (24 hours), 158 nurses, assistants and family-workers run day-care service in the houses of patients and 12 nurses and assistants are active in day-care center in Moabit. Among her woman employees 70% are single mothers with "immigration

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background." This creates a form of responsibility for Rojda not only for their working conditions but also for other aspects of their daily lives.

Consumption is an essential part of daily life practices. She recalls the request of one single mother (a nurse assistant involved mostly with patients at their houses, who lives with her daughter in Neukölln) to work some extra hours each week in order to buy an electronic game that her daughter wanted to have after borrowing it from a friend at school and playing with it several times. The daughter had been coming home from school (also in Neukölln) earlier than her mother, and had seen television commercials with a service number to call, where one had the chance to win one of the electronic games. Every day after school, the daughter had been calling the number. Her mother found this out when she received the telephone bill. Worried about her daughter's attempt to have this game, she decided to earn some extra money to buy it, even though she had made clear several times to her daughter that their economic situation could not afford all of their wishes.

This attempt of "wanting it so badly" provokes Rojda's responsibility to intervene in family relationships of her employee, mainly for three reasons. First, being a single mother with two children that are around the same age of her employee's daughter, enables Rojda to develop empathy. She understood this feeling where "every mother wants to give her child all the good things that she can afford." Second, and in relation to the first, under the existing job market, she knew that it is not easy to find a well paid job for single mothers, especially with low qualifications. In addition to this, short-term and low paid jobs will create "nothing but a fear of future" since they cannot provide a stable quality of life that is necessary for their survival. Third, and more interestingly, the point of security comes into the scene as Rojda reflects on the imagined consequences of "wanting it so badly".

> Who knows what could have happened to her? You have to give your address and some other details about yourself during these calls. The person she talked with could have been a pervert. I mean he might be working there, but you cannot know who is who. He could have used her name and those details for other things or could

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> have found her, since he has her address. And I don't want to imagine the next step because we hear and read a lot of stories every day. (Rojda, interview, 07.11.2008)

The next day Rojda tells her employee that she does not have to work extra hours, since she has already bought the game for her daughter. Going to her employee's house after work, she also talks with her daughter about the possible consequences of her calls. At the end, she makes the daughter promise that she is not going to call any other number or send mail to those addresses. The same night, Rojda told the whole story to her daughters and warned them about the possible consequences that might have happened. She also uses the story to regulate the consumption patterns of her daughters.

> They have to learn that life is not easy. One cannot earn enough money to buy all the things that one wants. Most of the people do not have the same conditions. We might be lucky today to buy what we want, but we do not know what is going to happen tomorrow. So they have to learn that they cannot get what they want all the time. Other people put incredible effort in getting those things. Sometimes my daughters get angry, but I tell them to wait. I do not want to have insatiable kids, because this may cause a lot of problems in the future. (Rojda, interview, 07.11.2008)

Another example of Rojda's engagement with her employees' daily life comes out in her interventions against the use of violence within the family. According to her, this is not an exception for her woman employees. Most of them are beaten up or forced to sexual intercourse by their husbands. She tries to give recommendations to her employees about the ways to react whenever they face any kind of violence. She also goes to the houses to talk with their husbands. In one case, Rojda discovered the use of violence when her employee called her from the hospital to say that she would not be able to work for a couple of days since she was severely beaten up by her husband. The following week, Rojda went to the house of her employee in order to talk with the husband. This is a way to prove that she takes care of women with "immigration backgrounds" not only as an employer but also as a friend. This allows her to demonstrate the value she attributes to her employee and the husband can realize that someone supports his wife and she is not alone.

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> I told this also to those that I talked with before, "if I hear anything, next time I will sue you." And this is not a threat. I keep all these incidences in the records of my employees. I make it clear that their husbands know this. Because most of the time they tell me that it is about their family and is none of my business. Well, this is about the way I care about people so it has something to do with me. But, at the end of this talk, I grasped his hands and then told him that he has also a positive side inside and such a violent act does not suit him. This works mostly. I mean to say something positive at the very end, because most of them feel ashamed after these good words. (Rojda, interview, 07.11.2008)

In this sense, taking care of people with "immigration backgrounds" is not only related to her patients. It is also about her employees and their families in these "problem" areas. It is a daily practice, which makes it hard for Rojda to demarcate a line between business and private lives. Yet, these daily practices have increased with *Quartiersmanagement* and hence have changed her skeptical approach to Fuat's projects.

In this sense, Fuat organized small panels, in which Rojda found a ground to explain her company and types of service that she provides. She also talked about her "immigration" story and her business philosophy. These talks took place not only in the office of TDU (Kurfürstendamm), but also in different *Quartiersmanagement* offices in Neukölln.

Following these talks, Rojda participated in various activities organized by the *Wirtschaft und Arbeit Neukölln e.V.* (Association of Economy and Labor Neukölln). The association is formed with the co-operation of Neukölln's municipality (borough's mayor as the chairperson), *Arbeitsamt* (employment office), *Quartiersmanagement*, over 60 enterprises from Neukölln, and *Gesellschaft für soziale Unternehmensberatung gsub mbH* (Society for Social Entrepreneurship Consultancy) as the private company coordinating the task of *Senatsverwaltung für Integration, Arbeit und Soziales* under the pact of *Bündnis für Beschäftigung und Standortsicherung in Neukölln – den Territorialen Beschäftigungspakt* (Federation for Employment and Investment Incentives in Neukölln- Territorial Employment Pact). Described as one of the good-practices in terms of European Union projects, the association through its pact aims to mobilize the unused potential, develop the dialogue

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among entrepreneurs, fight against unemployment and bring together the financial resources in Neukölln.[cxlviii]

By taking part in activities like *Karşılaşma – ein deutsch-türkischer Abendsalon* (a German-Turkish meeting) to discuss "ethnic economy" in 2007, Rojda not only tried to expand and solidify her relationships in the sector and neighborhood, but also contributed to the discussions of *Gesundheit* (Health) as the key topic of 2009, which focused on developing marketing strategies for health economy (e.g. *Neukölln Lebt Gesund- Gesundheitsstadt Neukölln*, Neukölln Lives Healthy- Health City Neukölln), creating and strengthening the "network" among entrepreneurs in the sector through exhibitions, providing education and qualification programs for the young labor force of Neukölln, organizing activities under the motto of healthy everyday life (e.g. sport festivals and fight against addiction), establishing consultation services and improving the health conditions of "immigrants."

In another example, and going beyond this structural functioning organized by *Quartiersmanagement* and other institutions in Neukölln, Rojda engaged with different projects in the scope of her company. In one of these projects, she accepted two interns who were recommended through the initiatives of one *Quartiersmanagement* office in Neukölln. One intern was German and the other intern had an "immigration background" from Turkey. These two interns (categorized as "young people with learning problems") had already been going through a drug addiction program, before they started working in her office.

This was a "real challenge" for Rojda because she was trying to "educate those whose parents were not able to do it." She wanted to give them a "chance to choose what they want to do" and tried to "communicate without any prejudice" because she had already faced with a lot of prejudices as a single mother with an "immigration background." On the other hand, she "had to make the borders clear."

> You have to do this because they don't know where to stop. I never treated anyone like that here before. But there are moments that you just have to show it. Take the

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> girl for example. She didn't want to work for three months. She never came on time. She was always making excuses not to come. Sometimes for the whole week. At the end, I said, "You can do whatever you want to. Go home now and think about this. Think about what you will lose. I gave you a chance and no one is going to give more than this. If you don't want to come back, then don't." She came back in two days. (Rojda, interview, 07.11.2008)

Rojda's way of "educating them" has similarities with the reaction she gave to her employee's husband. After giving her criticism to their ways of behavior, she was "leaving the door open" because she was sure that both of her interns have "good things inside themselves." This was a method of treating people with "respect."

> If someone breaks the window of your car and if you only shout at that person, you will not get anything in return. Because that person will automatically think, "I am from the streets and no one has an expectation from me. So I don't care about what you say." But if you grasp the hand of that person and say, "What you have just done to my car is wrong, but I want to understand why you did that," you will probably take out that person from the streets. You have to show that you are respecting them. They will feel more ashamed. After that, they will also understand that they have good things inside themselves. Today I am proud about their progress. They are going to finish their internship and now we have a different relationship. It is funny sometimes. The guy said one day, "Rojda abla [older sister in Turkish] when my mobile rings and I see that you are calling me, my heart goes like hell. I get really nervous. I never feel like this when my mother calls." (Rojda, interview, 07.11.2008)

Although Rojda refuses to accept the role of a "caring mother" towards her employees and interns, some of their parents try to get in touch with her to get advice in their relation to the children. This image of a "caring mother" who has the right to discipline her employees/interns, also intersects with the role of an "educator of the district." For Rojda, the most concrete example of this role can be seen during the visits to her office of students with their teachers from various schools in Neukölln. In the context of these visits, which also gain an impetus after her engagement with the *Quartiersmanagement*, she is mostly asked about her relation with the employees and contribution to Neukölln.

> If you give too much candy to your kids, they will not ask for it. They will ask for other things. So that is why I don't want to spoil them. But I write small notes saying, "Thank you for working with me." Sometimes I give them extra money. Motivation is important. They already know that I pay above average. They don't work more than 150 hours per month, but they are paid as if they work for 170

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> hours. It is really rare that they want to leave this job and look for another. If they want to leave, the reason is simple: They want to set up their own companies. And I am really happy about this, because I am a role model for them. If they behave just like me, they can be successful as successful as I am. (Rojda, interview, 07.11.2008)

Rojda's "success" is painful because it generates a feeling of "distrust to people." However, experiencing this pain deriving from "distrust" or "disappointment" does not lead her to give up her "responsibilities" to her milieu. Rather, it encourages her to think of new projects, which underlines once again her image as a "caring mother" or an "educator of the district." One of these projects is predominantly inspired from the goals of *Quartiersmanagement*.

The project is about the construction of two buildings connected to each other on the ground floor. To be built upon sixteen thousand square meters, the project will be completed at the end of 2011 in Kreuzberg. In this context, Rojda is not going to be the owner of two buildings. She will only be the manager in realization of her project. Hence, she is going to profit from "selling the idea" to the construction firm, which is involved in different projects of *Senatsverwaltung für Stadtentwicklung*. She was able to get in touch with the firm through her TDU membership.

In this project, as reflected on the plans of architects, both of the buildings look like a couple of stairs. Each floor with a huge terrace is divided according to the number of flats. One can have a clear view to each terrace from the top of each building. Designed to have "plenty of day light," flats with different sizes are meant to accommodate single mothers, elderly people who are living alone, small families, singles and people with disabilities. According to Rojda, flats will also be "affordable for low-income people." The project is also planned to provide other facilities. A daycare center is already integrated in the buildings so that "first generation immigrants" living alone in one of the small flats do not have to be transported every day, and a constant check on their health and daily lives can be conducted. This daycare center will share the ground floor with a supermarket, pharmacy and clinics of a general physician, physiotherapist and an orthopedist. A small playground for the children,

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and a café where "people can chat even if it rains" are also included in the plans. Without doubt, all of these facilities will be available for use by people that are not living in these two buildings. Hence, this will make the project a center of attention for inhabitants of the neighborhood. However, Rojda's inspiration for this project is not the existence of these services in the same building. Rather, it is the possibility of developing a continuous relationship among the neighbors.

In developing this continuous relationship among the neighbors, the level of communication in village life is the main drive. In a way, Rojda wants to bring the village life into a certain part of the city, where predominantly people with "immigration backgrounds" live. For her, such an implication of village life will generate the dialogue between people and can thereby prevent isolation.

> Social relations. This is my aim. If the single mother has to go to work, she should have good relations with the elderly woman next door. Because if she can trust her, she can leave her kid to that old aunt and go to work for a couple of hours. By doing this, that old aunt can also feel better. People feel sick because they think that they cannot do anything or they don't have a function in everyday life. This is all about psychology. That old aunt can also be able to go downstairs on her own for shopping. Without being dependent on her kids. If she has difficulties in walking, the university student living next door can help her and earn some pocket money. On the other hand, a doctor living with his wife and kids should not be irritated because of the fact that someone is helping and cleaning that old aunt every day. Because he might be in her position when he gets old. So he should also try to communicate with her and try to understand her living conditions. People should think about how they want to live when they are old. (Rojda, interview, 22.04.2009)

Through this continuous dialogue "immigrants" can get accustomed to their milieu. They can get out of "their ghettos" and involve with the problems of others around them. This can generate efficient solutions to the "problems" and also prevent the intervention of public or private institutions. Rojda's project aims to expand social responsibilities of the neighbors, which fits to the motto of *Quartiersmanagement*: "helping others to help themselves."

6.5 Concluding Remarks

It was another surprise to me (just like his tax rate manipulations and misuses in

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transportation regulations) seeing Yakup together with Rojda in a photo taken at the ceremony when Rojda received Berlin's "integration" award of 2008. Showing me the photo, in which Heidi Knake-Werner (Senator of Integration, Labor and Social Issues 2006-2009 and former Senator of Health, Environment and Consumer Protection 2002-2006), Günter Pienning (current Senate's Commissioner of Berlin for Integration and Migration) and Fuat were also present, Rojda told me that she paid all of Yakup's dues and he has been helping her in the office since he closed down his transport company.

This "helping him in the hard times" corresponded to the definition of her way of taking care of the people around her, which her parents had already constituted the initial examples. In a way, "taking care of them" has been a part of her daily life. She has been taking care not only of her patients, employees and their families but also of other people with "immigration backgrounds" including her own children and her brother. She has been carrying on this engagement of "taking care of them" through different methods, e.g. concerning their health (physical and psychological) conditions, providing their cultural needs and values, trying to improve their job and education qualifications, listening and keeping records on their problems, family stories and personal lives, giving advice, gifts and rewards, encouraging them to help themselves with different projects, promoting their "integration", protecting her employees from the violence of their husbands or employee's daughter from consequences of "wanting it so badly", regulating their consumption patterns, disciplining her interns, "whose parents were not able to do it", and treating and teaching them with "respect."

Hence, Rojda's way of "taking care of" has been working on individual and collective levels. As an "ethnic entrepreneur", who has Turkish and German passports, her target is a particular population, i.e. "immigrants" from Turkey, who still need to be "integrated." As chancellor Angela Merkel emphasized very clearly, "integration of people with foreign

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Herkunft is one of the *Schlüsselaufgabe* of our time" (Bundesregierung 02/2008). Literally, while *Schlüssel* stands for key, code and pivotal (adj.), *Aufgabe* denotes task, job, mission, calling, assignment, purpose, endeavor, duty, obligation, responsibility, question, problem and exercise. Additionally, *Herkunft* refers to origin, source, descent, ancestry, background, stock, birth, nativity and point of origin. Or, as Foucault compares to *Ursprung* and *Entstehung* in Nietzsche's uses of the word, *Herkunft*

> …is the equivalent of stock or *descent*: it is the ancient affiliation to a group, sustained by the bonds of blood, tradition, or social status. The analysis of *Herkunft* often involves a consideration of race or social type. But the traits it attempts to identify are not the exclusive generic characteristics of an individual, a sentiment, or an idea, which permit us to quantify them as "Greek" or "English"; rather it seeks the subtle, singular, and subindividual marks that might possibly intersect in them to form a network that is difficult to unravel. Far from being a category of resemblance, this origin allows the setting apart, the sorting out of different traits…Finally, descent attaches itself to the body…The body –and everything that touches it: diet, climate, and soil –is the domain of *Herkunft*. The body manifests the stigmata of past experience and also gives rise to desires, failings, and errors. (1994, 373-5) (italics in original)

In tracing "people with foreign *Herkunft*" to integrate them, Rojda as an "ethnic entrepreneur" has a constitutive role. She takes care of a particular group (not "Germans" or other "immigrant" groups, but only "immigrants" from Turkey) in particular areas of Berlin, e.g. Neukölln, Kreuzberg and Wedding, which have already been mapped as "immigrant" populated milieus by local municipalities, projects like *Quartiersmanagement* and studies like *Sozialstrukturatlas* that are conducted with the support of experts from various institutions like *Deutsches Institut für Urbanistik*. Rojda's engagements within this spatial understanding of "taking care of immigrants" from Turkey are carried out in the office, at the daycare center, in the houses of patients and employees, in the schools and on the streets. She does not only contribute to the rational calculation of their potential, capabilities, costs and threats, but also keep an eye on them for their salvation (e.g. "integration", ensuring well-being, preserving values and memories, encouraging the mobilization of their resources for themselves), both of which enable Rojda to constitute herself as an "ethnic entrepreneur"

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with the "responsibility to enlighten them."

In this context, the chapter tried to introduce the complementary side of the "self-help" mechanism that was illustrated with the example of *ISI e.V.* and the reflections of two experts and Nevin (chapter 5). Here, the complementary side is the responsibility of "taking care of others" or "helping others to help themselves" (as the motto suggests). Therefore, the chapter argued that these two sides do not oppose each other. It also did not seek to provide an ontological perspective: Which one of these sides emerges first and conditions the other? Rather, the chapter (like the previous chapter) intended to illustrate that they (helping oneself and helping the others) function together in the constitution of "ethnic entrepreneurs".

Keeping in mind that there is not a coherent set of techniques in practicing "ethnic entrepreneurship", this chapter brought in a different institutional setting (*Quartiersmanagement*, *Senatsverwaltung für Stadtentwicklung, Stadtteile mit besonderem Entwicklungsbedarf - die soziale Stadt*, *Moderner Staat - Moderne Verwaltung*, *Bezirksamt* and *TDU*) in connection with the story of Rojda (cross-cutting Nevin's story at different points). This was done not only to highlight the role of various experts and institutions in the promotion of "ethnic entrepreneurship" but also to indicate the historical features of Berlin (chapter 3), which have an impact on the "integration" policies concerning the "immigrant" populated districts after the fall of the Wall and the attempts of "immigrants" in finding a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification. Consequently, one can argue that the "ethnic entrepreneurship" is not conducted on the "immigrants" by the experts and institutions within a top-down perspective, even at the local level. Hence, the reflections of Rojda (on the relations with her family, employees and patients, functioning of her company, development of her new project, and involvement in the social activities at the district level) cannot be seen simply as internalization of the body

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of knowledge of "ethnic entrepreneurship". Rather, these insights serve as the personal ways of practicing "ethnic entrepreneurship" with a particular focus on "immigrant" populated districts, which are also conditioned by the historical features of this "self-evident" category (examined under the "crises of Fordism", ruptures of Berlin and intellectual contributions of experts/scholars).

Endnotes:

[cxxxiv] Famous hot pork sausage, cut into slices and seasoned with curry sauce and other spices, is an important symbol of German popular culture and Berlin. The invention, history, different versions and secrets of ingredients of this cult object are narrated in the museum of *Deutsches Currywurst Musuem Berlin*, which is one block away from *Checkpoint Charlie* (a well-known Berlin Wall crossing point that has become the symbol of Cold War and division of Berlin).

[cxxxv] For Prenzlauer Berg see: Myron A. Levine, "Government Policy, The Local State and Gentrification: The Case of Prenzlauer Berg (Berlin) Germany," *Journal of Urban Affairs*, Vol. 26, No. 1, (2004): 89-108.

[cxxxvi] Here *-ci* is a Turkish suffix and connotes the person who is dealing with a business or an activity. In this sense, *Döner + ci* refers to the owner of the *Döner* restaurant.

[cxxxvii] For some of contextual descriptions of Moabit see, Hermann Ortloff, *Das Zellengefaengniss zu Moabit in Berlin* (Berlin: Elibron Classics, 2006); C. Maria Lang, *Herr Richter, was spricht er. Neues von der Insel Moabit* (Berlin: Dietz, 1997); Alois Wosnitzka, *Das neue Kriminalgericht in Moabit* (Berlin: Berliner-Wissenschafts Verlag, 2006); Alex Castro, *Denkmale in Berlin - Bezirk Mitte - Ortsteile Moabit, Hansaviertel und Tiergarten* (Berlin: Imhof Verlag, 2005); B. Holdorff and R. Winau, *Geschichte Der Neurologie in Berlin* (Berlin: Walter de Gruyter, 2001).

[cxxxviii] Especially see, Bundesministerium des Innern, *Willkommen in Deutschland*, (Berlin: Bonifatius GmbH Druck-Buch Verlag, 2005); Bundesministerium des Innern, *Migration und Integration, Aufenthaltrecht, Migrations- und Integrationspolitik in Deutschland*, (Berlin: Bonifatius GmbH, 2008); The Independent Commission on Migration to Germany, *Structuring Immigration – Fostering Integration*, (Berlin, 2001).

[cxxxix] At this point, it is interesting to note a report prepared by Deutsches Institut für Urbanistik, (German Institute of Urban Affairs): Holger Floeting, Bettina Reimann und Ulla Schuleri-Hartje, *Von "Tante Emma" zu "Onkel Ali" – Entwicklung der Migrantenökonomie in den Stadtquartieren deutscher Großstaedte* (Berlin: Deutsches Institut für Urbanistik, 2005). The similarities between Clemens Mücke's description and DIfU's report clearly indicate the interaction and cooperation between policy makers and experts of Berlin on the production of knowledge and its usages.

[cxl] See Georg Schwedt, *Vom Tante-Emma-Laden zum Supermarkt: Eine Kulturgeschichte des Einkaufens* (Weinheim: Wiley-VCH, 2006); Mila Schrader, *Tante-Emma-Laden: Kindertraum und Alltagsleben* (Edition: anderweit Verlag, Suderburg, 2006); Bodo Rollka and Volker Spiess, *Tante - Emma - Läden. Berlinische Reminiszenzen* (Berlin: Haude und Spenersche, 1997); Ram Charan, *Was Tante Emma und Rockefeller gemeinsam haben. Die universellen Gesetze des Geschäftserfolgs* (München: Verlag Moderne Industrie, 2002).

[cxli] See Thomas Franke and Rolf-Peter Löhr, *Neighborhood Management – A Key Instrument in Integrative Urban District Development* (Deutsches Institut für Urbanistik, Occasional Papers, 2001); Deutsches Institut für Urbanistik im Auftrag des Bundesministeriums für Verkehr, Bau- und Wohnungswesen, *Strategien für die Soziale Stadt, Erfahrungen und Perspektiven – Umsetzund des Bund-Laender-Programms "Stadttelle mit besonderem Entwicklungsbedarf – die soziale Stadt"* (Berlin: MercedesDruck, 2003).

[cxlii] For a general description of *Quartiersmanagement* also see Senatsverwaltung für Stadtentwicklung, *Der Quartiersfonds, Ein Berliner Modell der Bürgerbeteilligung* (Berlin: Sauer Druck and Werbung, 2004).

[cxliii] Kategorie I - Interventionsgebiet mit hoher Problematik (16 QV-Gebiete)
- Rollbergsiedlung (Bezirk: Neukölln)
- Soldiner-/ Wollankstraße (Bezirk: Mitte)
- Schillerpromenade (Bezirk: Neukölln)
- Reinickendorfer-/ Pankstraße (Bezirk: Mitte)
- Flughafenstraße (Bezirk: Neukölln)
- Richardplatz-Süd (Bezirk: Neukölln)
- Körnerpark (Bezirk: Neukölln)

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- Brunnenstraße (Bezirk: Mitte)
- Wassertorplatz (Bezirk: Friedrichshain-Kreuzberg)
- Beusselstraße (Bezirk: Mitte)
- Mariannenplatz (Bezirk: Friedrichshain-Kreuzberg)
- Zentrum Kreuzberg/ Oranienstraße (Bezirk: Friedrichshain-Kreuzberg)
- Marzahn-Nord (Bezirk: Marzahn-Hellersdorf)
- Sparrplatz (Bezirk: Mitte)
- Ackerstraße (Bezirk: Mitte)
- Reuterplatz (Bezirk: Neukölln)

Kategorie II – Interventionsgebiete mit mittlerer Problematik (9 QV-Gebiete)
- Sonnenallee/ High-Deck-Siedlung (Bezirk: Neukölln)
- Werner-Düttmann-Siedlung (Bezirk: Friedrichshain-Kreuzberg)
- Dammweg-Siedlung/ Weiße Siedlung (Bezirk: Neukölln)
- Wrangelkiez (Bezirk: Friedrichshain-Kreuzberg)
- Mehringplatz (Bezirk: Friedrichshain-Kreuzberg)
- Mehrower Allee (Bezirk: Marzahn-Hellersdorf)
- Hellersdorfer Promenade (Bezirk: Marzahn-Hellersdorf)
- Bülowstraße/ Wohnen am Kleistpark (Bezirk: Tempelhof-Schöneberg)
- Magdeburger Platz (Bezirk: Mitte)

[cxliv] Kategorie III – Präventionsgebiete mit geringer Problematik (4 QV-Gebiete)
- Falkenhagener Feld Ost (Bezirk: Spandau)
- Heerstraße (Bezirk: Spandau)
- Lipschitzalle/ Gropiusstadt (Bezirk: Neukölln)
- Falkenhagener Feld West (Bezirk: Spandau)

[cxlv] Kategorie IV – Verstetigungsgebiete im Übergang zu bezirks- und bewohnergetragenen Verfahren (4 QV-Gebiete)
- Oberschöneweide (Bezirk: Treptow-Köpenick)
- Falkplatz (Bezirk: Pankow)
- Boxhagener Platz (Bezirk: Friedrichshain-Kreuzberg)
- Helmholtzplatz (Bezirk: Pankow)

[cxlvi] Amt für Statistik Berlin-Brandenburg, *Statistisches Jahrbuch 2009*, (Potsdam: Kulturbuch Verlag, 2009) and Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz, 2009.

[cxlvii] For a definition in German see Meinlschmidt 2009, 54: Als Personen mit *Migrationshintergrund* bezeichnet man in der Einwohnerregisterstatistik zum einen Ausländerinnen bzw. Ausländer, d. h. Personen mit ausländischer Staatsangehörigkeit, und zum anderen Deutsche mit Migrationshintergrund, d. h. Deutsche unter 18 Jahren ohne eigene Migrationsmerkmale, aber mit ausländischem Geburtsland der Eltern und/oder Einbürgerungskennzeichen beider Elternteile bzw. sofern nur ein Elternteil vorhanden ist, dieses Elternteils und Deutsche mit ausländischem Geburtsland oder Einbürgerungskennzeichen oder nach der Optionsregelung gemäß § 4 Abs. 3 StAG.

[cxlviii] See 2005, 2006 and 2007 reports of Bündnis für Beschaeftigung und Standortsicherung in Neukölln – den Territorialen Beschaeftigungspakt, *Bericht Territorialer Beschaeftigungspakt Neukölln* (Berlin, gsub Gesellschaft für soziale Unternehmensberatung mbH).

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INTERLUDE III

In chapter 5, I explored the constitution of "ethnic entrepreneurship" as a "self-help" mechanism. The insights of Nevin and two experts from *ISI e.V.* (*Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women) intended to reveal how the ways of imagining and experiencing this "self-evident" category can vary. In this sense, the chapter underscored that a coherent set of techniques for "ethnic entrepreneurship" is not possible, even in the institutional framework of *ISI e.V.* whose primary goal is the promotion of "ethnic entrepreneurship" among "immigrant" women.

Although Nevin went through crucial ruptures in her life (e.g. marriage, immigration to Berlin and divorce), she started to experience a different form of change through her "ethnic entrepreneurship". This change (i.e. "ethnic entrepreneurship" as a "self-help") seemed to represent a mode of "emancipation" from what cannot be controlled to what can be controlled (from a "disadvantaged" and "dependant" position to an autonomous, self-responsible and "integrated" position). Additionally, Nevin's "ethnic entrepreneurship" starting as a "self-help" mechanism turned into a method of "helping others". In chapter 5, this was exemplified first, by the experts' relationships with the participants of *ISI e.V.* and second, by Nevin's reflections on her company, projects and the relationship with her family, friends and employees. Consequently, these two mechanisms or methods ("self-help" and "helping others") become constitutive parts and make a clear-cut separation impossible.

The functioning of "ethnic entrepreneurship" as a method of "helping others" created the focal point of chapter 6 and it relied on Rojda's life story. Although an example of the "self-help" mechanism also seemed to be noticeable in her story (similar to Nevin's), Rojda's reflections put emphasis on the method of "helping others" as the starting point and pre-dominant objective of her "ethnic entrepreneurship". On the other hand, details of Rojda's company and its working system portrayed that "ethnic entrepreneurship" as a

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method of "helping others" depended on the existence of "self-help" mechanisms at different points and vice versa.

This complementary perspective also provided an institutional framework (similar to *ISI e.V.*) in relation to the project of *Quartiersmanagement*, which runs through the motto of "helping others to help themselves". While *ISI e.V.* emerges and develops as a non-profit, civil society organization that tries to benefit from the funds and policies of the European Union and Senate of Berlin, the project of *Quartiersmanagement* (Neighborhood Management) is derived from two programs, i.e. *Stadtteile mit besonderem Entwicklungsbedarf - die soziale Stadt* (Districts With Special Development Needs - The Socially Integrative City) and *Moderner Staat - Moderne Verwaltung* (Modern State – Modern Administration). Although the society's potential for self-regulation constitutes one of its objectives (similar to *ISI e.V.*), the project of *Quartiersmanagement* functions with a direct spatial focus (unlike *ISI e.V.*), i.e. "immigrant" populated districts in Berlin, through the guidance of experts at the local level.

In this context, the current chapter brings in three examples of "ethnic entrepreneurship" relying on the life stories of male figures (Hasan, Cemal and Emre) and hence seeks to complement the methods ("self-help" and "helping others") and institutional settings (*ISI e.V.* and *Quartiersmanagement*) of "ethnic entrepreneurship" that were discussed in the previous two chapters. Yet, the generalizing frame that would categorize these stories is the utilization of different "networks" (or the acts of "networking") in constituting "ethnic entrepreneurship". Throughout this chapter I will use the concept of "a network" or "networking" against two broader arguments.

First, the concept of "a network" or "networking" is located against the institutional settings of two ethnographic chapters (chapters 5 and 6). In chapter 5, the institutional setting was outlined through the example of *ISI e.V.* which stands for a civil

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society organization. Its experts (female figures) have "immigration backgrounds", but only one of them (Burcu) has been experiencing "ethnic entrepreneurship" (by doing part-time "business coaching" for the "immigrants" from Turkey). Although *ISI e.V.* tries to benefit from the funds and policies of the European Union and Senate of Berlin, it cannot be simply classified as an institution that implies the state policies because of its objectives, projects and working mechanism (as illustrated in chapter 5). In chapter 6, the project of *Quartiersmanagement* presented another institutional setting, which has been supported by the governments of the Federal Republic and *Länder* (states) and the European Funds for Regional Development of the European Union. Being developed as a part of the state policy, *Quartiersmanagement* intends to mobilize the involvement of local experts in the restructuring of "immigrant populated districts". In this sense, I introduced the example of an "immigrant background" expert (Faruk, male figure) in the promotion of "ethnic entrepreneurship".

Accordingly, these two chapters depicted institutional settings that are shaped either by the experts (trying to benefit from the funds and policies of the European Union and Senate of Berlin) or by the policy makers (trying to mobilize the local experts through the funds of Senate of Berlin, European Union and the Federal Republic). The current chapter, however, aims to describe the institutional settings that can be shaped by the "ethnic entrepreneurs" themselves. Therefore, I would like to look at the life stories of Hasan, Cemal and Emre, because of the ways they refer to the utilization of "networks" in constituting "ethnic entrepreneurship". Yet what are the conditions that lead the utilization of "networks" to be regarded as institutional settings?

Second, in order to display this way of thinking (i.e. the utilization of "networks" as institutional settings) and its conditions, the chapter intends to use the concept of "networks" or "networking" while keeping in mind the formulations in the literature on

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"ethnic entrepreneurship" (chapter 4). Let me go back and briefly contextualize the usage of "networks" or "networking" by revisiting certain arguments of the approaches in this literature.

For example, in the middleman minorities approach, the concept of "network" is stressed in relation to the kinship or "ethnic" ties, which pave the way for the increase of social responsibility and inter-group solidarity through associations, mutual assistance and trust mechanisms (Bonacich 1973). Such a formulation of the "network" is also supported by the understanding of capital in the disadvantage approach. Considering entrepreneurship as a survival strategy for "immigrants" and "minority" groups because of the barriers they face in the formal labor market, the disadvantage approach makes use of the "networks" in reference to the human, social or cultural capital of "ethnically" different groups (Light and Gold 2000). Similar to the formulations of this middleman minorities approach, it considers these forms of capital as the constitutive part of the groups. These assets cannot be abstracted from the "ethnically" different groups, since they are ontologically inherited.

Moreover, as was highlighted in chapter 4, the ethnic enclave economy approach focuses on enclaves as spatially clustered "networks" of businesses owned by the members of "immigrant" groups (Wilson and Portes 1980). Relying on the size of "co-ethnic" population as the source of market and labor, the level of entrepreneurial skills among the group, and the accessibility of capital resources, these enclaves mobilize "ethnic" solidarity in creating opportunities for "immigrants".

These three conceptualizations of "networks" are developed by the contributions of the interaction and mixed embeddedness approaches. The interaction approach regards the "networks" as the characteristics of the "ethnic" groups and hence examines them in terms of predisposed factors (skills and goals that individuals bring with them to an opportunity structure) and resource mobilization (through rotating credits associations, cheap

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"immigrant" labor, low transaction costs, trusted partners and reliable suppliers) (Waldinger, Aldrich and Ward 1990). Here, the characteristics of the "ethnic" groups (in reference to the "networks") are located against the opportunity structures (market conditions and access to ownership) and "ethnic" strategies. Following this set of arguments, the mixed embeddedness approach treats the concept of "networks" under the label of social embeddedness in relation to the market dimensions and political regulations and hence it tries to bring in a more complex institutional perspective (in reference to the arguments of Weber and Polanyi) (Kloosterman and Rath 2001, also Rath 2000).

Consequently, the approaches in the literature on "ethnic entrepreneurship" formulate the concept of "networks" or "networking" in relation to the realm of social policy. In this state of mind, the functions of "networks" are similar to that of laws, regulations and institutions, which aim to keep the laws of market and competition untouched, to maintain the principle of *Rule of law* in the economic order and to avoid anti-liberal policies. These formulations run parallel to the neo-liberal understanding that capitalism does not contradict itself as an economic thought and that a competitive market society is possible (chapter 4). In this manner, the "networks" are conceptualized as social entities that help regulate the relation between society and economy. They provide the ground for the logic of competition and enterprise society. They also stand for the social responsibilities of "ethnic entrepreneurs" to their "immigrant" groups. Therefore, the "networks" are considered (in the literature on "ethnic entrepreneurship") as mechanisms for "integrating immigrants" to the social and economic order of the "host" country, "offering immigrants" the opportunity to survive under the competitive market conditions and "allowing immigrants" to preserve their pre-given identities in the "tolerant" environment of liberal democracies.

As a result, the formulations of "network" or "networking" in the literature on "ethnic entrepreneurship" enable a framework for considering "networks" as institutional

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settings and this chapter locates the life stories of Hasan, Cemal and Emre in terms of this way of thinking (as examined in chapter 4). My aim, then, is not to develop the conceptualizations of "network" or "networking" in the literature on "ethnic entrepreneurship". Rather, it is to investigate how the "ethnic entrepreneurs" use these institutional settings ("networks") in constituting themselves. In this sense, I will take the "networks" of Hasan, Cemal and Emre to reflect on the modes of behavior, ways of living and forms of imagination that can shape "ethnic entrepreneurship". By pursuing this goal, I will study the "networks" of "Alevi-Kurdish entrepreneurs" (through the life story of Hasan), MÜSİAD Berlin, *Verein unabhängiger Industrieller and Unternehmer e. V.* (through the life story of Cemal) and TDU, *Türkische-Deutsche Unternehmervereinigung Berlin – Brandenburg* (through the life story of Emre). However, at the junction of these "networks" certain points have to be emphasized to clarify the outline of this last ethnographic chapter.

First, by taking these "networks" into the framework of this chapter, I do not mean to overlook the existence of other forms of "networks" (e.g. ATDİD, *Verein Türkischer Dönerhersteller in Europa*) or to reach a homogenizing claim on the "networks" of "immigrants" from Turkey. They are chosen because of the active support of their members for the development of "ethnic entrepreneurship" in Berlin since the beginning of the 1990s.

Second, in contrast to the cases of MÜSİAD Berlin and TDU, "Alevi-Kurdish entrepreneurs" do not have a formal institutional structure in the promotion of "ethnic entrepreneurship". Such a form of "network" or "networking" does not mean that it fails to be considered in the conceptualizations of the literature on "ethnic entrepreneurship". On the contrary, it sets up one of the characteristics of "ethnic entrepreneurship" (Portes 2000, Nee, Sanders and Sernau 1994, Light and Gold 2000, Aldrich and Waldinger 1990, Kloosterman and Rath 2003).

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Third, these "networks" do not represent social entities with clear-cut boundaries in terms of membership, even though they are considered to symbolize particular political tendencies in Turkey (e.g. MÜSİAD Berlin signifying the conservatives and values of Islam, TDU standing for the liberals and sometimes for the Kemalist state of mind, and "Alevi-Kurdish entrepreneurs" representing the leftist and Kurdish movements). Although it is impossible to analyze these "networks" as homogenous blocs because of the variety of political tendencies among their members, the chapter will try to reflect on different aspects of these "networks" through the life stories of Hasan, Cemal and Emre.

Fourth, by constructing this chapter on the life stories of three male figures (all of them are married and have children, which can be viewed in terms of the single-mother status of Nevin and Rojda in the last two chapters), I do not intend to argue that female figures are able to develop their relations outside of these "networks". References to the "networks" in the life stories of Nevin (chapter 5) and Rojda (chapter 6) have already indicated the involvement of women in some of the "networks". The focal point of this chapter, then, is to underline the dominating role of men in these "networks". This dominant position can result in a calculated exclusion of women in the "network" (MÜSİAD Berlin), a late "discovery" of woman entrepreneurs for the image campaign of the "network" (TDU), or a lack of enthusiasm on the side of woman entrepreneurs to take part in the "network" ("Alevi-Kurdish entrepreneurs") because of the opportunities that can be provided to them by other institutions (e.g. *ISI e.V.* in chapter 5 and *Quartiersmanagement* in chapter 6).

Last but not least, the life stories of Hasan, Cemal and Emre and their reflections on the "networks" will present a micro perspective to the generalizing frame that I explored at the last part of chapter 3. This generalizing frame refers to the attempts of "immigrants" from Turkey to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of

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reunification. Moreover, I will try to describe the changes in the lives of these male figures in relation to their entrepreneurial experiences and families and the "problems" of "immigrants" from Turkey. These descriptions will help to outline that the "networks" do not always work in the expected way and they can have drawbacks for their members in different conditions. Despite these ambiguities, the "networks" produce one of the crucial examples of conducting the lives of "immigrants".

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CHAPTER 7

"ETHNIC ENTREPRENEURSHIP" THROUGH "NETWORKS"

Unser Netzwerk – Ihr Vorteil
(Berlin Partner, *Enterprise Europe Network Berlin – Brandenburg*)

July 5, 2004. After accidentally discovering an old version (2001) of *İş Rehberi - Altın Sayfalar Berlin Brandenburg* (yellow pages for "Turkish entrepreneurs") in a small grocery store in Kreuzberg, I am drinking a coffee in *Ma Rosa*. It is a café-restaurant at the intersection of two streets (*Paul-Lincke-Ufer* and *Mariannenstrasse*) with an overlook to the canal. I can partly see people going in and out of the so-called *Türkischer Markt* (Turkish Market), which is symbolized with an orange camel on a yellow background on a steel poster (at the corner of *Maybachufer* and *Kottbusser Damm*) and described as *BiOriental maerchenhaft einkaufen, Maybachufer Wochenmarkt* (BiOriental fairytale shopping, Maybachufer weekly market).

Ma Rosa is named after the owner's two beloved characters: Rosa Luxemburg and his daughter Rosa, who was forced by Turkish law to change her daughter's name at her birth. As Hüseyin (the owner) formulates it, *Ma Rosa* stands for "my Rosa".[cxlix] One of the most popular sayings among its customers is that "*Ma Rosa* has a bad coffee, but still you can meet friends without giving a certain time."

Seeing my curiosity for the old version of *İş Rehberi*, Hüseyin offers to ask for help from his friend, who has connections to the publishing house. Approximately ten minutes after this proposal, he invites me to join him and his friend Hasan, or Hasan Hoca (hodja, khoja or khojah, which literally may refer to someone respected for his/her knowledge of Islam, a teacher, or someone with an advisory capacity in the society) as he calls him, at the other end of the garden. Hüseyin, with a big smile on his face, introduces him as the mayor of

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Kreuzberg. Yet, changing the big smile to a more serious facial expression all of a sudden, Hüseyin adds that Hasan Hoca knows more than it is written in *İş Rehberi* about the enterprises, since he owns one of the oldest telephone / internet cafés that also sells magazines, newspapers and various beverages and cigarettes at Oranienstrasse.

Hasan Hoca, with his skeptical gaze on me, intervenes to correct Hüseyin by stressing that his knowledge is only limited to the companies of his Alevi and Kurdish friends and milieu in Berlin. The rest of his knowledge is composed of gossip from daily life. According to him, even though such a presentation of companies owned by "immigrants from Turkey" in *İş Rehberi* might give a sense of "harmony" for a German or an outsider, "we are not a big happy family here."

July 14, 2004. If one does not wait for the traffic lights to cross the street, it takes a bit more than a minute to go out from *Skalitzer Strasse 134* – Kaiser's Tengelmann (one of the well-known supermarkets in Germany founded in 1880 with a focus on various colonial goods by Josef Kaiser and taken over by the Tengelmann group in 1971), and to enter *Skalitzer Strasse 138* – Inter Gıda (one of the "Turkish" markets in Kreuzberg with a focus on various "Turkish" goods). I just bought a small bottle of water from both stores.

Before paying for the bottle in Inter Gıda, I put the book in my hand, *Die Rotfabriker, Familiengeschichte eines Weltunternehmens*[cl] (The Red Factory Owner, Family History of a Worldwide Entrepreneur) next to cash desk in order to take out money from my pocket. The cashier, asks to have a look at the book. After looking at some of the pages and pictures, Özcan (brother of Inter Gıda's owner) asks me in Turkish if I read *Ganz Oben* (*Ganz Oben. Türken in Deutschland,*[cli] - At the very Top: Turks in Germany). It reminds me of *Ganz unten*[clii] (its author, Günter Wallraff as an undercover journalist, took on the fictional identity of *Ali* in order to represent the living and working conditions of *Gastarbeiter* in the first half of the 1980s, translated as *Lowest of the Low*). Recognizing my interest to *Ganz Oben*, he

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proposes to ask a copy of it from "our association," i.e. MÜSİAD (*Müstakil Sanayici ve İşadamları Derneği,* Association of Independent Industrialists and Businessmen) Berlin. Cemal Abi (from MÜSİAD Berlin), as he calls him on the phone, agrees to give me the book on Sunday (July 17).

On Sunday, I take the *U7* to *Rudow* station then take the bus 3 stops to get to his place, just like Cemal Abi explained to me over the phone. He is working on the renovation site of his house, when I appear at the front door. As he invites me inside for a coffee before giving me the book, he shows me different parts of his house and office, since they are in the same building. Then we go to his garden, at the backside of the house, where his family and brother's family (living in the same house) are already having some cookies and tea. "My house, my family and my office, all in one," Cemal Abi says loudly, to get the attention of his family members, before introducing me. The book, *Ganz Oben* (based on the stories of different "Turkish entrepreneurs" and described as the storm of enthusiasm in contrast to *Ganz unten*'s storm of indignation) is already at the table. On the cover page, the letters of *Ganz Oben* are written in green, while the letters of *Türken in Deutschland* are in red. The letter *b* is combined with a drawing of *minaret* and hence exceeds the height of all other letters.

July 29, 2004. Kurfürstendamm 175. I am in the office of TDU (*Türkische-Deutsche Unternehmervereinigung Berlin – Brandenburg*, Turkish-German Entrepreneurs' Association) and want to get the previous issues of the bilingual journal *Türk Ekonomi Dergisi – Zeitschrift für Türkische Wirtschaft* (Journal of Turkish Economy), which is edited by TDU and belongs to the same publishing house as *İş Rehberi*.

While I wait for one of the assistants of the TDU coordinator to bring old versions of the journal, I look at various brochures, reports and some executive summaries placed in the lounge. The lounge connects the large conference room, the meeting room of the executive

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board and the room for the coordinator and his two full-time assistants. On the other side of this lounge, there are advertisements and flyers posted by entrepreneurs, IHK Berlin (*Industrie und Handelskammer Berlin*, Chamber of Industry and Commerce), HWK Berlin (*Handwerkskammer*, Chamber of Handicrafts), *Arbeitsagentur* (Employment Office), TBB (*Türkischer Bund in Berlin-Brandenburg*, Turkish Union in Berlin-Brandenburg), *Türkische Gemeinde zu Berlin* (Turkish Community of Berlin, which is also located at *Skalitzer Strasse 134* and recalls its Jewish counterpart: *Jüdische Gemeinde zu Berlin*) and ATDİD (*Avrupa Türk Döner İmalatçıları Derneği*, Verein Türkischer Dönerhersteller in Europa, Association of Turkish Döner Manufacturers in Europe). ATDİD also shares the office with TDU for its meetings.

However, one of these flyers is completely different from the others. It is about a new opening: *Antikes Antiochia e.V.* The association, in close cooperation with the Ministry of Culture and Tourism in Turkey, University of Antakya and German twin city Aalen, seeks to contribute to the maintenance of cultural resources in Antakya (Turkey). Seeing the flyer in my hand, the assistant coordinator explains to me that Emre, as the founder of *Antikes Antiochia e.V.*, is one of the members of TDU. He has a company concentrated on vocational training and qualification for young people with "immigration background." Showing me the telephone number on the flyer, the assistant coordinator underlines that Emre's company and *Antikes Antiochia e.V.* are located in the same address in Kreuzberg.

All of the above snapshots, taken from the notes of my second short stay in Berlin, signify three different "networks" (with or without a formal institutional structure) of entrepreneurs with an "immigration background" from Turkey.[cliii] Based on these three examples, I would like to examine the ways of constituting "ethnic entrepreneurship" through the values of "network" or "networking", keeping in mind the formulations in the literature of "ethnic entrepreneurship" in chapter 4.

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To be more specific, the life story of Hasan will present insights from the "Alevi-Kurdish network", which does not have a formal institutional structure regarding the entrepreneurial activities of "immigrants". Standing for the leftist and Kurdish movements, Hasan's experiences intend to underline that the "networks" do not perpetually work in the expected way and hence contradict the ground of legitimacy for the members, i.e. inter-group solidarity and trust mechanism. In relation to this, the life story of Cemal will portray a "network" that is associated in the public mind with values of Islam and conservative norms: MÜSİAD Berlin (located in Neukölln). Being the first formal institutional structure regarding the entrepreneurial activities of "immigrants" from Turkey, MÜSİAD Berlin has a direct institutional connection with MÜSİAD in Turkey. Here, the turning points in Cemal's life will serve as crossroads to reflect on the responsibilities of "ethnic entrepreneurs" that can be developed through "networks" or "networking". Last but not least, Emre's life story will help to exemplify another formal institutional structure regarding the entrepreneurial activities of "immigrants", i.e. TDU. Signifying a liberal and sometimes a Kemalist state of mind[cliv], TDU does not have any institutional connection with the business associations in Turkey and it tries to differentiate itself from MÜSİAD Berlin by locating its office in Ku'damm and having woman "ethnic entrepreneurs" in its "network". Through the insights on his company in the education sector, Emre will bring in the "need" for "networking" not only for TDU members but also for younger generations in Berlin as a form of resource mobilization and "integration". Therefore, these three life stories will not only reflect on the mechanisms of "self-help" (the case of Nevin in chapter 5) and "helping others" (the case of Rojda in chapter 6), but also bring in different aspects of "networks" or "networking" as constructed by the "ethnic entrepreneurs".

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7.1 Hasan and the "Network" of "Alevi-Kurdish Entrepreneurs"

Hasan's internet/ telephone café is between two restaurants in Kreuzberg. The restaurant, on its left, (which used be a *Döner* restaurant) is one branch (out of nine throughout Berlin) of a chain presented with the motto "original Chinese specialties" and owned by Orhan, who immigrated to Berlin in 1974 and initially played Turkish folk music in small lodges (*gazino*). On its right, there is one branch (out of three in Kreuzberg and Neukölln) of a restaurant with Mediterranean specialties, which is run by Sema and her sisters, Hülya and Ümit (all of whom accompanied their mother to stay with their father in Berlin as a part of family reunification in 1977).

Located at Oranienstrasse (one of the old business streets of Kreuzberg between Lindenstrasse on the west-- crossing through Moritzplatz, Oranienplatz and Heinrichplatz-- and Skalitzer Strasse on the east), Hasan's internet/ telephone café is surrounded by the florist, bakery, barbershop, photo studio, *Städtische Blinden-Anstalt* (Municipal Institute of Blind), bicycle store, clothes, home-ware and music shops, bars, café/restaurants, *Ertuğrul Gazi* mosque, sport studios, associations, graphic and design ateliers, small galleries, and bookstores. Yet, Hasan's internet/ telephone café is not the only one at the Oranienstrasse. Approximately 50 meters in both directions (towards Lindenstrasse and Skalitzer Strasse), one can find two other internet/ telephone cafés, which make competition tougher for him in comparison to the late 1990s.

Within this milieu, as Hasan puts it, what is at stake is to "maintain your current position rather than making great profit and not to give it up since you have more responsibilities." In the literature of "ethnic entrepreneurship", one can regard Hasan's feeling of responsibility as one of the constitutive elements of the concept of "network" and his emphasis on maintaining one's position and not looking for making great profit as a survivalist strategy, since "immigrants" (as disadvantaged groups) work in the inferior

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sectors and they do not have the means to seek desirable jobs in the primary sector of the labor market (Light and Rosenstein 1995). But, what are the responsibilities of Hasan? To whom is he responsible for? And how can he manage to maintain his current position within these responsibilities?

Following his primary education in his village, Hasan (Elbistan/Turkey, 1955) went to Antep for vocational education. This was also the beginning of his engagement in leftist and Kurdish politics, which would follow him to Berlin. Due to his "active involvement" in various student movements, he was sent to prison for three months during this period. Upon his release from prison, Hasan completed his obligatory military service. Yet, after the military service, since he was asked to submit police clearance certificates with his applications, he was not able to find a job, though he had worked in a thermal reactor before he was taken into prison. Therefore, he started working as an electrician in small ateliers of his friends for short periods until he married Havva.

Havva had been living in Berlin with her parents since 1974. Although Hasan and Havva were engaged for a year, they were not able to live together in the same city. Considering Hasan's working conditions, Havva did not want to leave Berlin and at the end Hasan went to Berlin in 1985, following their marriage ceremony in Turkey.

For a couple of months, Hasan was able to take German courses, while Havva worked in a cleaning company. During this period, Hasan got some financial help from his friends in Berlin, who had already left Elbistan because of their involvement in leftist and Kurdish movements. Yet, Hasan had to leave the German courses and start working. This was not only a necessity to establish and maintain their life in Berlin, but also a responsibility to pay his debt to his friends and to look after his mother (his father had died before he went to Berlin) and 5 siblings in Turkey. At the beginning, he worked illegally in small cleaning jobs, since he had not acquire a working permit. According to him, although coming to Berlin

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through family reunification is more "charismatic" than having the status of a refugee, waiting for a working permit and searching for illegal, low paying cleaning jobs were more stressful than he had "ever imagined." Hasan was able to look for jobs to work as an electrician only when he got his working permit at the end of five years.[clv]

Hasan's first job as an electrician was in a "German" company. It did not last long and he got fired in two months. The main reasons, as he put it, were his low level of German and difficulties he experienced from differences in the technicalities of electrical systems between Germany and Turkey. Shortly after, he managed to find a job in another "German" company. In this new company, he was paid less and asked to do only basic jobs, which helped him to learn details of the infrastructure and electrical systems in Germany. This time, he was able to develop himself in terms of German language skills and job qualifications required in the company. Nevertheless, he was not able to survive the company's restructuring, which ended up with his unemployment in 1994.

At this stage, when the construction sector in Berlin had become one of the driving forces of the economy, a friend of Hasan from Diyarbakır proposed they set up the electric infrastructure of buildings.[clvi] The friend's recently launched company was already in charge of constructing this. For Hasan, this was a perfect solution, since his only source of income was unemployment money from the state, and unofficial electrician work for friends who were opening new restaurants in Kreuzberg and Neukölln, which reminds the "ethnic" solidarity as an opportunity for self-employment in the ethnic enclave economy approach (Wilson and Martin 1982, 138).

Yet, in order to work on his friend's construction sites, Hasan had to find a *Meister*[clvii] (master craftsman). After searching for three weeks, he unofficially made an arrangement with a "Greek" *Meister*, who had immigrated to Germany at the end of the 1950s and had got his certificate in Berlin. Their agreement was simple: Hasan was going to find the job and

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would be able to do it under the certificate of the "Greek" *Meister* who Hasan would pay 800 DM per month. Although this was a big amount for Hasan, he was hoping to earn much more through his friend's construction business. Acknowledging the difficulty of finding a *Meister*, Hasan felt "lucky."

> I was lucky about the old Greek *Meister*. He hated Turks. I guess, my Kurdishness created a different feeling on him so that he allowed me to use his license. He was a socialist as well. We had a good friendship. (Hasan, interview, 04.06.2006)

Until the end of 1996, Hasan was able to work as an electrician by using the "Greek" *Meister's* license at his friend's company's construction sites. During this period, he was able to pay back all the money he borrowed from his friends and to regularly send money to his family in Elbistan. However, two developments were going to change the order of life he was trying to maintain in Berlin. First, his friend's company had to declare bankruptcy because of miscalculations in taxes. Second, the "Greek" *Meister* did not want to earn money through his certificate, since he found a more profitable job: renting rooms to "immigrant workers", from Serbia and Bosnia. These "immigrants" were coming to Berlin to work in different sectors and mostly staying together for short periods. Getting in touch with local "networks" that organized jobs for these workers, the "Greek" *Meister* rented not only rooms but also flats for longer periods and hence started to work as an informal estate agent. As a result of these two developments, Hasan once again became dependent on unemployment benefits of the state. But this time, he had more responsibilities, because Havva was not working and gave birth to their son.

According to Hasan, these hard times in the economic conditions of their household paved the way to revisit his active political life. On the one hand, he was becoming more engaged in Kurdish politics, not only by meeting with his friends in Berlin, but also by contributing to political activities in Turkey. Among various associations in which the Kurdish movement acquired the priority, Hasan was to a great extent involved with the

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activities of the *Human Rights Association* (particularly with the branch that is based in Diyarbakır because of his political "networks" developed during the years of vocational education). He took part in organizing panels on the violation of human rights and preparing reports (most notably, the report on Diyarbakır published in 1994). These engagements also enabled him to get in touch with other Kurdish associations in Düsseldorf and Köln.

On the other hand, Hasan started to develop his relations with Alevi associations in Berlin.[clviii] Although his father was a *Dede* (a socio-religious leader among Alevis), Hasan was not involved with any kind of religious practice. Yet, massive violence targeting Alevis in 1993 (Sivas) and 1995 (Gazi Mahallesi, Istanbul) encouraged Hasan to develop a closer relationship with the Alevi population through *Anadolu Alevileri Kültür Merkezi* (AAKM, Cultural Center of Anatolian Alevis) – *Cemevi*[clix] in Berlin. He became a registered member of AAKM and took part in rituals, demonstrations and meetings organized by AAKM. These two forms of political/social engagements also brought a new turn in his life.

In 1999, one of his friends, who is a member of AAKM and had been active in Kurdish politics before emigrating to Berlin, suggested Hasan and they open an internet/ telephone café together. According to him, having known each other from the political activities in Turkey was the main reason for taking the risk of opening the café, even though he did not have the money to set up the business. This trust mechanism in Hasan's "network" brings to mind the formulations of middleman minority and disadvantage theories in relation to the social capital, which cannot be abstracted from "ethnically" different groups (Bonacich 1973 and Light and Gold 2000).

Lacking practical experience and having limited knowledge of German to run the café seemed to be the most difficult aspects for Hasan. Still, his "responsibilities for the family" (Havva, their son and siblings in Turkey) pushed Hasan into accepting his friend's proposal and looking into financial capital for half of the café.

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> There was a support package from the *Sozialamt* [Social Assistance Office]. You had to leave the *Sozialamt* to get the money. Maybe, they still give it. I don't know. It was around fifty thousand Deutsch Mark. But there was a big bureaucratic constraint. They want you to prove that the shop will survive and be profitable from the very beginning. If things go wrong, you also have to show that you have enough money to pay the credit. They look at your sector. How much competition do you have? Where is the shop going to be? Will you be able to do it there? As someone who was getting help from the *Sozialamt*, it was basically impossible to fulfill all those conditions. It was ridiculous for them. This wasn't clear to me until the lady told me, "Nobody will give fifty thousand as a present." She was right. They wanted to guarantee certain things. So, I dropped it. I asked friends and some relatives. They were better off. Thanks to them, I collected the money shortly and then we opened the café. (Hasan, interview, 04.06.2006)

Although Hasan did not have any experience in running an internet/ telephone café, he felt relieved due to the target group of their business. This target group is "specific" to Kreuzberg.

> We provide services for daily needs. My customers are Kurds, Arabs, Turks, a lot of tourists, married people as well as autonomous groups. Even though I can't speak German very well, they accepted us as such. They accepted us with our inadequacies. This is because of the structure of Kreuzberg and *Multikulti*. We are lucky, because people living in this area tolerate each other. (Hasan, interview, 04.06.2006)

The café, running under the context of *Multikulti* (which refers to the "immigrant" populated characteristic of Kreuzberg and the ethnic enclave approach in terms of the creation of a niche in the general economy) and in spite of Hasan's inadequacies, was composed of three parts before its renovation in 2008 (Sanders and Nee 1987). At the entrance, one could find fifteen phone cabins fixed to the wall and next to each other. Three sides of the cabins were covered with a dark blue carpet, which was designed to provide a silent space for the customer. The forth side, the entrance, was made of a glass door, which enabled Hasan (standing at the other side of the room) to see the customer during the call. The person inside the cabin was to a great extent isolated from outside or background noise, but could not escape the gaze of a person, who was at the cash desk. The second part of the café was comprised of two rooms, which were a half staircase above the ground floor. These rooms were furnished with twenty-eight computers, chairs and desks. The smaller room

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(which included a bathroom) had more daylight than the larger. The third part of the café provided a wide range of magazines, newspapers and cold beverages (alcoholic and nonalcoholic) located in the same room as the phone cabins. In front of the cash desk, the customer could find different sorts of chips, chocolate, candies, biscuits, crackers, cigarettes, cigars, coffee and tea. Meanwhile, Hasan (with his computer) could monitor all computers, turn on/off the telephone system for a cabin and see the rooms through his surveillance system, installed in all the rooms. Beside these sections, through a door across the cash desk, one could go downstairs to the storeroom, a reminder of "those revolutionary days," says Hasan, when it was used for "covert meetings."

Hasan worked with his friend until 2003. They worked on two shifts (08:00-16:00 and 16:00-24:00) and Havva helped them regularly. On intense periods (especially spring and summer), they were offered part-time jobs for young people that they knew from their social milieu. According to him, those years, until 2003, marked the golden age of phone cabins. During a holiday at the end of *Ramadan Festival* (constituting a symbol for the "immigrants" from Turkey and functioning as a tool of creating a "cultural" service) they earned 4000 DM, which hardly reached 400 Euro after that. Considering this profitability at Oranienstrasse, Hasan opened a second café in Neukölln at the end of 2001. However, he was not able to keep it, since he needed money when his friend decided to sell all his shares. This decision resulted from familial considerations rather than a dispute between the then co-owners. Specifically, Hasan's friend wanted to open his own internet/ telephone café, which he could run as a family business and use it as an investment for his daughter and son in the long run.

This period, following his friend's withdrawal from the partnership, was the beginning of another hard time for Hasan. Although the internet became the most crucial element in maintaining his café, it did not last long. Technological developments did not only lower the prices of internet connections in homes but also enabled restaurants, bars and cafés to offer

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limitless internet access. As a response to this, Hasan (like the owners of other internet/ telephone cafés) extended the working hours with the help of Havva and Mert, a full-time employee who was recommended for any kind of job opportunity by his friends in AAKM.

> I started coming here at seven o'clock in the morning. Havva was coming around ten o'clock. We were working until six o'clock and then Mert would take over the shop and work until two o'clock in the morning. We arranged it like this because there are a lot bars around here and people wanted to have one more drink on the way to their homes, or buy cigarettes. This worked out only for a short time. Then I realized that this place was too big for its capacity. Nobody was using the cabins and two rooms were never full. (Hasan, interview, 15.01.2009)

Trying to find a new strategy for maintaining his business life, Hasan accepted the suggestion of two friends, who were interested in buying half of the café to open their own restaurants. In terms of his future plans, this was going to bring a large amount of money because of the central location of his café. Also, it was going to give him the chance to reconstruct a smaller place that could be run easier. Yet, Hasan's thoughts on the importance of his "networks" were going to be challenged after seven months.

> They tried to convince me of their project for one year. Each time that I told them my anxieties, they brought some other friends to talk with me. To prove that they are reliable. They said "Hasan Hoca, don't worry. We are going to plan everything." I heard this several times. One day I got this call from Murat: "Hasan Hoca, we are sorry, but we can't arrange the money." I didn't know what to say. They are friends, not strangers. We have a common past. Maybe, some other people asked them not to invest in a restaurant here. I don't know. But I felt a bit disappointed and alone. (Hasan, interview, 15.01.2009)

Although one's "network" or "networking" is most taken as a way of maintaining trust, loyalty and common values, at this point Hasan observed the hidden part of it that can function through mistrust, disloyalty, suspicion, fear and paranoia. Hasan's non-institutional "network" highlights the fragility of its function (regulating mistrust, suspicion or opportunism) (Granovetter 1995 and Castells 2005). Even though the incident does not create a feeling of leaving his "network", it engenders uneasiness in Hasan. It is an uneasiness that is going to be perpetual for him, or at least going to remind him of the feeling of being alone,

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since it can shift the trust mechanism even in the most entrusted "network" (which derives from the "common past").

This feeling of disappointment or aloneness (deriving from mistrust and suspicion) would encourage Hasan to open his own restaurant at the end of 2007. Or, as Kenneth J. Barr appropriately puts it,

> …in his pursuit of profit and gain the entrepreneur fabricates an image of an external world where, to borrow the language of Nietzsche, "every other man is taken to be hostile, ruthless, predatory, cruel, cunning." And those who are external to him, those who are evil, are the cause of his goodness. (1999, 178)

After consulting another friend, who sells restaurant equipment, Hasan decided to reconstruct his café and to turn the bigger portion of it (the part that included the phone cabins and the larger room with computers) into a restaurant. Since he did not have financial capital to cover the costs of this project, he made a leasing contract of fifty thousand Euro with the bank. Through his actions, Hasan not only enabled his friend's company to sell its products, but also guaranteed the flow of financial capital that would be least affected by any kind of dispute with his friend. Construction of the restaurant (completed in February 2009) unavoidably meant a smaller space for the café: a smaller room for computers and a smaller section near the entrance for beverages and other products at the cash desk.

More drastically, this spatial reconstruction has brought a clear division of labor in the family business. While Hasan takes responsibility for the café (08:00-16:00 and then leaves it to Murat until midnight), Havva concentrates on the restaurant. Although a cousin of Havva's friend (with practical experience from small döner restaurants) has been working with her since the first day, her responsibilities are more than she used to have in the café. She takes orders from the customers, regularly checks the cleanness of the bathroom, prepares the food, does the necessary shopping and works at the cash desk. Except for helping with the nightly restaurant cleaning, Hasan prefers not to intervene in Havva's decisions concerning the

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menu, decoration of the interior or hiring decisions. For him, this fits very well to Havva's "responsibilities at home", e.g. cooking, cleaning, shopping and taking care of their son.

> And in terms of work, this has a lot of advantages. I accepted all of these. She is really talented presenting the place and its organization. She is very clean and picky. I guess this comes from being a woman. Also, she is doing it willingly. She gets really tired, as much as I do. This motivates her. Of course, there is a negative side of this. We are in the same place for 24 hours. One cannot miss the other. Maybe, feelings change throughout the time. In the end, you cannot live for yourself after you have a family and business to run. You feel responsible all the time. This is pretty normal. But, it is really hard to keep the same standard of living. (Hasan, interview, 15.01.2009)

Additionally, Hasan installed a camera system in the restaurant, through which he can see the entire restaurant from his computer in the café (contradicting the trust mechanism in the family business and the conceptualization of the "network"). This allows him to take care of the family business even in his absence. Becoming the gaze of Hasan on the employee, customers and robbers, the camera system attempts to prevent any possibility of misuse. At the same time, by overseeing all of her decisions and movements, Hasan declares his "authority" on Havva. This is also solidified through his engagements on conducting relations with the bank, daily bookkeeping and arranging monthly meetings with the accountant. As a shepherd on the family business, Hasan demarcates the role of Havva to a terrain that can only reproduce her "responsibilities at home" or present her "qualities deriving from being a woman."

A regular family life, in which "one can go somewhere at the weekends or be with friends in their good or bad days," has also become impossible for Hasan after the opening of the restaurant. Nevertheless, this intense family business life has a great contribution for their son (14 years old). He helps both Hasan and Havva not only at the weekends but also during the weekdays after finishing his homework. Working for a couple of hours, he takes customers' orders, clears tables, or stays at the cash desk with his father. These small tasks are not going to provide him "qualified knowledge that he can get from the school". Rather,

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they are going to teach him the certain moralities like honesty, hard-work and independence that one can apply in social relations.

> Your address and location are clear. People know this very well. And they acknowledge your role. You should be careful, because this gives you a big responsibility. If you start doing wrong, it will accumulate very fast and then you will lose all the opportunities. You are a role model for these people. I am sure that the number of people that respect and like me is more than the number of those who hate me. I am still very influential in establishing moral values through my social relations. Social relations are the most powerful feature of my life. I was raised through social relations. And I also improved myself through social relations. I can say this for my political activities and business life. And Mesut [their son] observes this every time he comes here. This is a great chance for him. (Hasan, interview, 15.01.2009)

Hasan declares himself not only to be a caretaker for the small family business, but also a model for his son and "third generation immigrants".

As a role model with the capacity to guide people in his social milieu, Hasan underlines the predominance of moral values in his family business. It is because of these values that Hasan "contradicts" the mentality of making a profit under the circumstances of market competition. And it is also because of these moralities that he is not able to grow his family business like his friends. The wholesale company of two "Kurdish" brothers constitutes an example of this continuous desire for profit.

> I guess it was in 2007. I went to Sivan Perwer's [protest singer, who is considered the cultural ambassador of Kurdistan] concert. It was wonderful. The place, his performance, emotions, people in the hall. Everything was perfect. At the end of the concert, I met Gıyasettin [Giyasettin Sayan- born in 1950 Mus/Turkey- member of Berlin parliament from *Die Linke* (The Leftist Party)] and asked who the organizers were. He had a smile on his face. Then he showed me their family name written on one of those big garlands standing at the entrance. What kind of a world is this? You are going to deceive the market and then by sponsoring these organizations you are going to build up your image? (Hasan, interview, 15.01.2009)

In fact, before opening their wholesale company, the two brothers were involved in the trade of kitchen materials used by restaurants. According to Hasan, this was a very small company but all of sudden started to become bigger by buying products that they were not able to sell, declaring bankruptcy and manipulating their taxes. And it is also "due to these kinds of

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tricks" that banks do not give credits easily and that people like Hasan, who want to run a business, look after his family and be useful to his social milieu, have to deal with financial crises more severely. For Hasan, especially the young generation has to be very careful on these issues, "if they want to have a respectful name in their social milieu."

On the other hand, in Hasan's milieu, there are also good examples that can bring business, moral values and social relations together. Cem (Elbistan, 1966) is one of these examples. Cem's father, working in Munich and Berlin as a *Gastarbeiter*, brought his wife and five children in 1977 under the framework of family reunification. After studying political science with a focus on business management, Cem worked in various management-consulting companies in Hamburg and Berlin. Establishing his own management-consulting company in 1998, Cem has concentrated on ethno-marketing in Berlin. Although they took different routes in becoming entrepreneurs, the Alevi business "network" (which Cem has been trying to develop under the coordination of Alevi population in Frankfurt and Berlin) has played a crucial role to bring Hasan and Cem together. Participating in one of the talks that took place in AAKM Berlin, Hasan can still recall Cem's emphasis on responsibility and networking.

> We [himself and Cem] both faced a lot fraud and mistrust. But, these things make us strong. Because you get more and more experienced. And this experience makes you aware of your real responsibilities. Responsibilities to children. Responsibilities to your family. Responsibilities to your own people and society. The boss that drives the most expensive car is not valid anymore. That was in the past. Go to work with your bicycle. This is a responsibility to your milieu as well. You can't live if you give up these responsibilities. And that is why social relations are so crucial. We have to help each other. We have to teach those that are not experienced. (Hasan, interview, 15.01.2009)

Here, Hasan produces once again the image that is attached to him: Hoca. That is to say, he acquires the knowledge and experience to guide people around him. He conducts his social relations with frankness and treats people well and in a kindly manner even when they have

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cheated him. He is a role model, since he takes care of the household, family business and social milieu.

On the other hand, Hasan, who believes in the importance and utility of every social relationship, prefers not to be part of any institutional business "network". He was even reluctant to give his support when the "*Kurdische gemeinde*" (Kurdish community) tried to form an institutional structure in the late 1990s. But, why would such a "networking" entrepreneur with an "immigration background" be unwilling to take part in any institutional structure? Are these institutional business "networks" worse in regulating mistrust, disloyalty, suspicion, fear and paranoia? What does an entrepreneur with an "immigration background" get from or lose by being a member of these institutional business "networks"? In order to explore these questions, it is helpful to consider the experiences of Cemal from MÜSİAD Berlin.

7.2 Cemal and the "Network" of MÜSİAD Berlin

According to Cemal (Trabzon/Turkey, 1960), entrepreneurs with an "immigration background," no matter what kind of business they are involved in, must belong to a business association. These business associations do not have to be limited to more institutional "networks" like MÜSİAD Berlin and TDU; they can also be at the local level, for example in Neukölln. For him, "our people have to get organized" after working and living so many years in Germany.

> We are social beings. Therefore, we need these organizations. And our people have to be members of these organizations, even if they don't agree with all of their activities and ideas. They give you something. Sometimes this can be negative and sometimes positive. It depends on what you want to get out of them. The world runs through these civil society organizations. All your energy and information come from them. On the other hand, you have to learn giving as well. It is about sharing certain things. Your experience. Your advice. (Cemal, interview, 28.06.2006)

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But how do these practices of "giving" and "taking" function in the institutional framework of MÜSİAD Berlin so that it can provide its members with something different than Hasan Hoca's "network" (which seems to develop a feeling of mistrust)?

Similar to Hasan, Cemal came to Berlin as a part of family reunification. His father had been a *Gastarbeiter* in Berlin since 1968. Working in construction companies in Berlin, Cemal's father brought his wife at the beginning of the 1970s. A year later, she went back to Turkey to take care of their children (3 girls and 4 boys), who were staying at their grandfather's house. After finishing primary school in a village of Trabzon (coastal city located in the Black Sea Region), Cemal went to secondary and high school in Antakya (Antiochia), where his whole family had been staying following his grandfather's job. Cemal's grandfather was a contractor in the construction sector and decided to settle in Antakya because of its distance to Mersin (Zephyrion), Adana (Adhana) and Yozgat (Yuzgad), where most of his construction sites were located.

Cemal's high school years (similar to Hasan) were predominated with leftist movements. His family, worried about severe political conflicts of those years, sent him to Berlin in 1978 under the framework of family reunification. Although Cemal was coming from a family background that praises "Islamic values," his "modest leftist" thoughts did not make his life with his father easy. In 1979 he moved out from his father's flat to enjoy his "new life in Berlin."

At the beginning of this "new life," he decided to study construction engineering at *Freie Universitaet*. Construction was the "traditional family job" and in this sense Cemal can be defined as the bearer of a capital by different approaches in the literature of "ethnic entrepreneurship". Accordingly, he stayed in the dormitory, studying engineering and working in different jobs. These part-time jobs were necessary, because monthly financial support from his father was not enough to cover the expenses of this "new life." Being unable

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to fulfill the requirements of his department, Cemal had to give up construction engineering at the end of two semesters. Instead, he got into the *Anadolu University* (Eskişehir/Turkey) and graduated from business management through distance education training in 1986, which seems to contradict with the arguments of the disadvantaged approach about the influence of poor educational attainments of the "immigrants" on their decision to become entrepreneurs (Light and Rosenstein 1995).

During this period, one of his frequent part-time jobs was with a tree service company. His cousin (who came to Berlin together with Cemal's uncle from the father side in 1980) had been working in this company since 1981 and called Cemal when there was a demand for additional labor. This job encouraged Cemal to attend a degree program on agriculture and tree care (900 hours) at *Freie Universitaet*. After he became a certified arborist at the end of this program (1985), Cemal got a full time job in the same company. This was going to reshape his "new life."

> I realized that if I kept on being single, I would not be able to go beyond certain things in my life: sharing a flat with my friends, trying to get some small jobs after 18:00, or not having a certain idea about my future life. That is why I decided to get married. I needed to bring an order into my life. To reach certain things. (Cemal, interview, 28.06.2006)

A full-time job in a tree service company and getting married were going to be the initial grounds for his company. Unlike his friends in the "German" company, Cemal was not working in a "boring routine." In addition to applying the knowledge that he had learned at the degree program, he was also trying to follow the developments in tree care by talking with his boss and reading the weekly and monthly journals coming to the office. According to him, there was a market opportunity[clx] in this sector and one could have started up a business with "true engagement." Although he had shared this willingness to start up a business with his friends working in the same "German" company at the end of six months,

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they were reluctant to take any action. This resulted in the postponement of Cemal's plans for three years.

At the beginning of 1984, Cemal started running his tree service company without letting his "German" boss know about it. This was a hard period for him, his family and business. First, he was not able to establish the company under his own name. At that time, Cemal had not acquired the certificate yet, and was considered only as a student, without permission to set up a business. Second, he did not have a permanent residence permit, which could only be acquired after working for 8 years. This was one of the requirements for "immigrants" to establish their own companies. Similarly, Fatma (his wife) was not working and hence not eligible to set up the company, even though she had grown up in Berlin. Still, by applying to the local court, Cemal got the permission to start up his business and Fatma became the official owner of it.[clxi]

Adding to his difficulties, the financial help that Cemal got from his father to set up the company was not enough to buy any technical equipment. Besides, he did not have any customers. He advertised to clients while he was working for the "German" company, but this did not provide any jobs for his company. In the end, Cemal explained his situation and company to his boss. Although his boss considered Cemal's company a betrayal, they soon reached an agreement (which seems to contradict with the inter-group solidarity as the most crucial source of financial capital in the literature of "ethnic entrepreneurship"). According to this agreement, Cemal would still work for the "German" company to pay for the technical equipment that he wanted to buy from his boss, and his boss would direct a few customers to work with Cemal. For seven years, he worked with his boss within the framework of this agreement.

> He [his boss] is one of the best experts in this field. Everyone respects him. His knowledge. His way of doing the job. I was lucky to work with him. We are still in touch. Today, I am happy to have such a rival. On the other hand, I was courageous enough to go through those things. I didn't have anything except for my courage and

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> family. My father came here without any knowledge of German. He didn't know anything about this place. And, he managed to do a very hard job. To a certain extent, this is also what I went through. Just think about it. You don't have money even to buy your equipment, but you try to challenge them. What is the worst scenario? If I cannot succeed, then we go back to Turkey. That is how I motivated myself. This was a turning point for me. (Cemal, interview, 28.06.2006)

One can interpret this "turning point" or conversion in Cemal's life in terms of the metaphor of navigation, through which Foucault tries to reflect on *self-subjectivation* in reference to the Platonic, Hellenic/Roman (mostly first and second centuries AD) and Christian understandings on the notion of conversion (2005, 214).

> [First,] there is, of course, the idea of a journey, of a real movement from one point to another. Second, the metaphor of navigation implies that this movement is directed towards a certain aim, that it has an objective. This aim, this objective, is the port, the harbor, as place of safety where we are sheltered from everything. Also in this idea of navigation, there is the theme that the port we are seeking is the homeport, the port in which we will find again our place of origin, our homeland. The path towards the self will always be something of an Odyssey. The fourth idea linked to this metaphor of navigation is that the journey to reach the homeport is dangerous, and it is because the journey is dangerous that we wish so much to reach this place of safety. During the journey you encounter unforeseen risks that may throw you off course or even lead you astray. Consequently, the journey will be in fact the one that leads you to the place of safety through a number of known and little known, known and unfamiliar dangers, etcetera. Finally, from this idea of navigation I think we should keep hold of the idea that this dangerous journey to the port, the port of safety, implies a knowledge (*savoir*), a technique, an art, in order to be undertaken well and to arrive at its objective. It is a complex, both theoretical and practical knowledge, as well as being conjectural knowledge, which is very close, of course, to the knowledge of piloting (Ibid., 248-9).

For Cemal, although it started when he first came to Berlin (his "new life"), this dangerous journey, gained an impetus with two accompanying events: his marriage and family tree service company.

In this regard, the marriage stands for a movement of his whole being. It is neither a renunciation (or drastic break from) of his previous life nor a transition from one type of being to other (or being born into a different self). Rather, it is a break from the things that surround Cemal: a single student life that had to be maintained with part-time jobs, which could not help him reach a future of financial security. Bringing an order to his life, marriage

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did not only provide a ground to focus on his objectives, but it also functioned as a catalyst that fabricated the feeling of being home, which was left behind in Turkey, and went through hard times with his father in Berlin. Additionally, Fatma, who still owns 60% of the company's shares, does not only make the legal formation of this family business possible, but also takes part in its functioning. She had been taking care of their daughter and had been responsible for keeping the records and basic accounting of the company in its initial years. Since then, she has taken on a less active organizational role in the company since the birth of their son. Except for "general responsibilities" (e.g. cleaning the house, washing, cooking and shopping), her "new responsibilities" are composed of helping their son with his homework, and taking him to football training three times a week, and to the mosque on Fridays. Fatma's previous role in the company has been taken over by their daughter, who is helping the accountant at the office as a part of her vocational education.

The family tree service company, the second element of Cemal's conversion, also stands for a movement. At a symbolic level, it is a movement from the things that do not depend on him: from the construction sector as a family engagement (his contractor grandfather and *Gastarbeiter* father) and from his boss's company. For Cemal, it was a kind of liberation from his father's financial support, even though he did ask for it from time to time. A representative example of this liberation was experienced when he rejected his father proposal's to take over the management of a grocery store. At the time, a friend of Cemal's father was the owner of the grocery store. Since he had borrowed money from Cemal's father and was not able to pay it back, he offered the management of his store.

> I was not feeling comfortable with the idea of getting help from my father or my wife's father. Because, it is my responsibility to create and maintain the living standards of my family. I don't like being dependent on others. This is what I tell my children as well. Well, my son is only eight years old, so he does not understand it. But, my daughter knows what I am talking about. They shouldn't relax and think that "My father has a company. I don't have to work hard." On the contrary, they should work harder than anyone, if they want to do this job in the future. They

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should take their own responsibility. Life is not easy so they should learn to make their own way. (Cemal, interview, 28.06.2006)

Moreover, his company stands for a conversion that is based on "learning by doing." It was not based on sets of knowledge that could explain how to run a business. Rather, it has been an objective that Cemal could achieve by equipping himself with "useful" knowledge to run his family business. Equipping himself with "useful" knowledge has brought and intensified two interrelated realms. First, it is about the concentration phase in his business. This signifies a relation between Cemal and his aims: being able to do his job without a dependency on his boss, making profit, developing his company or taking care of his wife, children and siblings. It is a relation that makes him interested only in his company and family, rather than other people. Second, it is about practicing and hence learning the relation between himself (and his aims) and his environment. This is crucial in the sense that he had to decide on the effects of his way of doing business relying on a criterion of utility. And Cemal has been practicing this through his experiences of "networking" that has started at the beginning of the 1990s with MÜSİAD Berlin.

Cemal, being one of its founders, has had an active role in MÜSİAD Berlin since its foundation in 1994.[clxii] In fact, this is a branch of MÜSİAD in Turkey (established in 1990 and has its headquarters in Istanbul). Although the two letters (*MÜ* in MÜSİAD) stand for *müstakil* (independent), they are commonly interpreted as an abbreviation of *müslüman* (Muslim) and hence taken as a religious or conservative state of mind in the practice of entrepreneurship in Turkey.[clxiii] For Cemal, who explicitly affirms his attachment to Islamic values in family, social and business relations, MÜSİAD in general defends the values that oppose the image of TÜSİAD members (Association of Turkish Businessmen and Industrialists founded in 1971 - its headquarters in Istanbul and lobbying offices in Ankara, Washington D.C., Brussels, Berlin, Paris and Peking): elitist (largely state-created) group owning large-scale and geographically concentrated enterprises.[clxiv] In this sense, MÜSİAD

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has an inclusive character. It brings together a large group of enterprises with a large diversity in terms of size and geographic location.[clxv] In Turkey, it also represents a different economic period, in which

> …the traditional role of the state in the economy was questioned and significantly revised. It was also a period in which the old protectionist trade regime was largely discredited and the growth of exports had become a significant policy objective. It was in this new environment that new enterprises had to compete with older ones that had already secured comfortable niches in protected and highly imperfect markets. At the international level, with the accelerating pace of technological progress and shortened production life-cycles, efficiency increasingly required the down-sizing of large-firms, the decentralization of vertically integrated enterprises, and the replacing of hierarchical management practices with less rigid ones. Given this new logic of "flexible production" small enterprises in relationships of cooperation as well as competition have become important in an environment characterized by diverse inter-firm linkages of suppliers, subcontractors, and end users. (Bugra 1998, 524)

In this context, MÜSİAD Berlin came into the scene not simply as a lobbying office that has to work in coordination with Istanbul (the headquarters), unlike TÜSİAD Berlin. According to Cemal, it was established as a result of a "need."

It was a need to bring entrepreneurs with "immigration backgrounds" together, since there were no institutional engagements focusing on their "potential" at the political spheres of German and Turkish states.[clxvi] During this period, Germany was experiencing the initial effects of reunification; Berlin was going through a restructuring and there were no business associations aiming to represent, take care of or guide entrepreneurs with "immigration backgrounds." This lack of a representative organization became the driving force of MÜSİAD Berlin. It was also the result of a need to deal with "problems," "failures," "impotence" and "ineffectiveness" that those entrepreneurs with "immigration backgrounds" were practicing in family, social and business relations.

An example of these "problems", "failures", "impotence" and "ineffectiveness" can be found in "frankness." For Cemal, "frankness" affects the way of doing business and he has been promoting it since the initial year of MÜSİAD Berlin. This becomes particularly visible

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when he tries to provide financial help to those who are in need of capital to cover their debts, to buy new equipment for their companies or to start up their businesses. According to him, being non-authoritarian always allows his friends in this "network" to "exploit" his capacities. This exploitation has always been irritating, since he never succeeded in getting back his money. And in a broader framework, it has created two impacts on Cemal.

On the one hand, this unreturned money indicates a "failure" or "impotence" for him in terms of objectives that he has set up at the beginning of this "dangerous journey," even though he was able to develop the family business. On the other hand, it produces a relationship of mistrust that deteriorates their reliability in business relations that is hard to recover under the current conditions in Berlin (similar to Hasan's experience). This is a crucial period since,

> …we are confronted with the real face of capitalism. This is like a war. Smoke comes out of everywhere. Competition comes to such a level that if you have been in the market for three years, you are counted as an experienced firm. Everyone tries to lower the expenses. But there is a certain level of cutting the fixed costs. After that you either give up and declare bankruptcy or try to find a trick to survive. Our people spend a lot of time and energy to find these out. It happened last year. I was trying to get my money, but he closed down the company, which was in the name of his daughter and then opened up another one in the name of his son. At the end I just spent money for the lawyer and bureaucracy. (Cemal, interview, 05.09.2008)

However, those who are lacking "frankness" cannot run their companies for long. Also, they cannot escape the "divine judgment" of their social milieu, which will remember them as "interest seekers without moralities." This is a severe judgment, because an entrepreneur with an "immigration background" has a guiding role and responsibility in his/her family and social milieu. And this turns out to be one of the main tasks of MÜSİAD Berlin. It works as a platform to make them "aware" of their guiding role and responsibilities through social activities.

In this framework, the platform, working as a consultancy service to its members and those who want to become members of it, provides information on business start-ups, credit

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applications, tax and insurance regulations, advertisements and technology (e.g. online transactions and security). Mostly designed and conducted by its members, this internal service also generates an internal demand and supply mechanism for many companies in the long run. Moreover, it is connected with small workshops, e.g. individual/group motivation, directed readings on interpretations of Qur'an and business life. MÜSİAD Berlin's educational role is expanded through regular seminars given by experts from various institutions (e.g. IHK, HWK and IBB - *Investitionsbank Berlin*, Investment Bank of Berlin). Hence, the platform proves not only its particular know-how on running a business, but also its "networking" abilities by inviting policy makers to give talks on different topics (e.g. economy policies, competition, environment and rights of "immigrants"). Last but not least, it organizes collective visits to politicians, exhibitions on entrepreneurships and annual congress of MÜSİAD in Turkey, small trips at the weekends, *iftar* (evening meal that breaks the fast during Ramadan) gatherings, youth, sport and family festivals, small unofficial campaigns to collect money for the maintenance of mosques at the end of Friday prayers, and annual celebrations at religious festivals.

One of the substantial topics of these social activities, which serve to remind of their guiding role and responsibilities, is *Integration durch Ausbildung* (integration through vocational education). According to Cemal, youth with "immigration background" has been mentioned in most of the reports and statistics in reference to their violence, crime, low education and high unemployment percentages. This picture threatens not only future lives of young generations, but also image of "our people." Here, Cemal's arguments can be seen as a part of the willingness to find a place for themselves (i.e. "immigrants" from Turkey) in the reconstruction of Berlin's identities against the presentation of "immigrants" in the reports like *Sozialstrukturatlas*, as discussed in chapter 3.

> When I get into the *U-Bahn* and see their appearance, I get afraid of them. Honestly, I am afraid of sitting next to them or saying something or looking at them. You can

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> see that they are training their bodies very well. I am not against it. They can do body building, karate or play football. We support all of these. But, if they don't train their brains at the same time, this is dangerous. They are clever. They have potential. As their fathers, brothers or uncles, it is our responsibility to show a good way to this potential. Why should they stay at home and receive *Arbeitslosengeld* [unemployment benefits], instead of learning a job and doing it?. Our fathers didn't have the conditions to provide us vocational training, because they didn't have companies. But now, we have this possibility. We want to share our experiences with them. (Cemal, interview, 12.03.2009)

This young generation is also a potential "problem" and "impotence" for family businesses, since the family constitutes one of the substantial institutions, in which social capital is assumed to be ontologically inherited (Sanders and Nee 1996). Unless they are guided by their "fathers, brothers or uncles", they cannot run the family businesses. As a result, this can ruin the whole financial capital and family values, which play a crucial role for "integration" and demarcating the sets of knowledge and behaviors in taking care of each other.

> Once I was working alone in the garden of a previous inspector general of police. His wife is a retired state prosecutor. They like the way my workers have breakfast together in their garden. Because they hadn't seen something like this in their own working lives. Anyway, he asked me how I would react if my daughter wanted to get married to a German. My reply was very simple: As her father, I would not like it, because I am a Muslim and want her to marry someone in line with my beliefs and traditions. But, at the end, I am her father. It is my duty to take care of her, no matter what her decision is. This is also my tradition. Family is one of our most valuable investments. He said "very interesting." They are not used to having close relations with their children like us. They are more individualistic than us. They don't feel like keeping an eye on children, if it is not something extraordinary. (Cemal, interview, 12.03.2009)

In this respect, to fulfill their responsibilities and guiding role to the young generation, MÜSİAD Berlin offers vocational education in various sectors and encourages its members to provide opportunities to this young labor force. They also established Young MÜSİAD (2006) in the same institutional structure to keep a close eye on their working and living conditions, as well as skills like leadership, social responsibility, entrepreneurship and teamwork. At this point, one should note the dominant role of male figures in terms of entrepreneurship in the "network" of MÜSİAD Berlin. The place of women has been formed

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in relation to the axis of "family-private life". In this manner, only the members of "Ladies Committee" (working under the framework of Young MÜSİAD) are women, but they are not entrepreneurs. They organize various seminars like stress management (*die Stressabbau-Seminar- Reihe, for Ladies only*).

To fulfill their responsibilities and guiding role, MÜSİAD Berlin also tries to increase the number of its members. It is regarded as a substantial instrument in directing the potential of this "networking" platform. The most decisive criterion for membership is the set of methods that an entrepreneur with an "immigration background" engages in his self, family and own business. What is at stake is the conversion in one's life; the entrepreneur with "immigration background" has to turn his gaze on himself, family and business before taking care of his "network." But, this movement does not have a certain end (unlike its beginning). It has to be carried out in one's entire life. The more one practices these methods of taking care of oneself, family and business, the more he can generate utility to the milieu. At that point, it is not a question of "success" or "failure", since they both constitute one's experiences, know-how or potential that can be utilized to guide entrepreneurs (or those who are aspiring entrepreneurs), young generation and "our people". This is what Cemal intends to put into practice in MÜSİAD Berlin, based on the example of his own achievements since the 1990s.

The beginning of the 1990s was a transformation period shaping not only Berlin (with the fall of the Wall, German reunification and restructuring), but also Cemal, with his family and business. First, he became the "real boss" of his company, i.e. independent from his previous boss. This concentration on family business has engendered an acknowledgement to his way of doing things on the side of customers (although his company provides tree care service to private gardens owned by "German" families, the main target of this service has always been the parks, streets, squares and playgrounds owned by various state institutions)

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and workers (having an "immigration background" from Turkey, they are "firmer than Germans" for the hard working conditions of this service). Second, Cemal brought his three brothers to work with him (while his sisters got married and stayed with their families in Turkey). In this way, he was able to develop the tree care service and then to enlarge the scope of family business. Together with his brothers, Cemal established a new company on landscape gardening (his main customers are still "German" families and state institutions) and simultaneously started to buy, renovate and sell houses (targeting families with "immigration backgrounds") with the cooperation of his friends from MÜSİAD Berlin. When two of his brothers decided to go back to Turkey in 2001 and start-up their own companies on tree care service and landscape gardening, Cemal provided financial support for technical equipment. Still living and working with his third brother (and his family) in Berlin, he also became a shareholder of the company (producing industrial nails and cables since 2004) that was set up by two of his brothers in Turkey.

> People from the Black Sea region have a special relation with the sea. It is a part of daily life. That is why there are very good captains in the region. In bad weather, they say: "You have to know your ship and crew to find your way out of it". They are right. We have done it, thank God. Now, it is time to help others. As MÜSİAD, we have a lot of missing points. But we try our best. At the end, it is a voluntary job and takes a lot of time and energy. But, of course there are other captains and other fleets. Most of the time, we don't think in the same way. We are in Neukölln and they are in Ku'damm. But, sometimes we do work together. To have different organizations is also healthy for our people. (Cemal, interview, 12.03.2009)

As a "captain", who has been navigating his family and business, this is a period for Cemal to take care of "other ships" within the platform of MÜSİAD Berlin. But what about the "other captains and other fleets"? Since the only business organization targeting entrepreneurs with "immigration backgrounds" located in Ku'damm is TDU, what does he mean with "We are in Neukölln and they are in Ku'damm"? Does it mean different ways of navigating and "networking"? If not, what are the points that MÜSİAD Berlin and TDU do (or do not) work together? At this point, I would like to call another "captain" onto the stage.

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7.3 Emre and the "Network" of TDU

Having a *Gastarbeiter* history in his family (similar to Cemal rather than Hasan), Emre is also a "networking" entrepreneur (similar to Hasan and Cemal). He has been a member of TDU since 2001. In addition, he is a member of parliament in IHK Berlin (elected by all the members of IHK in his sector), a member of the board in TD-IHK (*Türkisch Deutsche Industrie und Handelskammer*, Turkish German Chamber of Industry and Commerce) and the founder of Antikes Antiochia e.V. Before reflecting on Emre's experiences in the framework of TDU, let me clarify Cemal's Neukölln (MÜSİAD Berlin) and Ku'damm (TDU) comparison.

In 1996, two years after MÜSİAD Berlin, TDU was founded with a similar aim: to represent and back up the "türkische [Turkish] Business Community" in Berlin. As a latecomer, which lacks a direct institutional support from Turkey (unlike MÜSİAD Berlin), TDU has stressed its distinguishing points from MÜSİAD Berlin since its initial years. Accordingly, the location of its office at Kurfürstendamm (Ku'damm) has turned into an essential symbol. Named after former electors of Brandenburg and mostly brought into its current appearance during Otto von Bismarck, Ku'damm is (an avenue of 3.5 km, reaching from Halensee railway station on the Ringbahn to Kaiser Wilhelm Memorial Church) considered to be the Champs Elysées of Berlin. Its spatial features are rewritten after World War II not only by expensive shops, houses, hotels, restaurants and showrooms, but also by symbols of German history, e.g. *Terrassen am Halensee* (Terraces at Halensee, renamed as *Lunapark*); movie theaters of Alhambra and Gloria-Palast; leisure and nightlife during the "Golden Twenties"; *Judenboykott* (Jewish boycott) and several organized attacks targeting the shops of Jews; damages from air raids; boom of shopping during the "Cold War"; demonstrations of the German student movement and the assassination of one of its spokespeople, Rudi Dutschke.

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In addition to this broader context, Ku'damm and hence TDU are surrounded by various offices, banks and institutions. Although an office in the borough of *Mitte* (as the political center of Berlin and Germany) could have given a stronger image for TDU, the choice of Ku'damm cannot be interpreted as an accident. The relevance of this choice becomes obvious, when two buildings at *Fasanenstrasse* (one of the streets crossing Ku'damm) are taken into account in terms of image invention. These are *Ludwig Erhard Haus* (house) and *Jüdisches Gemeindehaus* (House of Jewish Community). The former, named after one of the "fathers" of *sozialen Marktwirtschaft* (social market economy) and *Wirtschaftswunder* (economic miracle), is the main quarter of IHK Berlin. For this reason, it is the target of different business associations like TDU and MÜSİAD Berlin for their lobbying activities. The latter (even though its administrative offices were moved into the historical New Synagogue at Oranienburger Strasse in 2006) seems to have a symbolic role for TDU, since it represents the "Jewish Community" in Berlin as an influential "network" and the *Vorbild* (role model) of "ethnic entrepreneurship." Thus, it will not be an exaggeration to argue that TDU has set these moral values for its members since the mid-1990s.

Furthermore, by choosing Ku'damm as the coordination center of its members and social activities, TDU intends to bring a contribution to the image of "immigrants" from Turkey. This image has been set in contrast to the connotations of *Gastarbeiter* or "problem" (low qualification, unemployment, dependence on social assistance, crime, violence, poor language skills and disintegration) that have been associated with people from an "immigration background". Similar to MÜSİAD Berlin, TDU tries to provoke this image through its utilities of an entrepreneur with an "immigration background" who creates a job opportunity (for him/herself, his/her family, relatives, friends, as well as "Germans"), pays taxes, contributes to the education and training of younger generations, supports

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"integration," and hence becomes a guiding person for his/her milieu. On the one hand, these utilities, working as a "self-help" mechanism, solve the "problems" and lessen the "burden" of policy makers. On the other hand, they provide the ground for a "multicultural" life in Berlin, which "respects other cultures" and "tolerates *Zusammenleben* (living together)". Yet, in pursuit of these goals, members of TDU (unlike MÜSİAD Berlin) prefer to locate their representative center outside one of the "problem" districts of Kreuzberg, Neukölln and Wedding. For Cemal, this is a form of alienation from the "reality of our people". In this manner, even though both business associations are trying to take care of people with "immigration backgrounds," he distinguishes the two: where MÜSİAD Berlin is being "honest" and "on people's side," the TDU is a "plain show off" case.

As Emre puts it, the issue of membership is one of the points that can "easily differentiate TDU from MÜSİAD Berlin." Both TDU (280 members) and MÜSİAD Berlin (265 members) run their activities with the contribution of their members, who own small and medium size companies in various sectors in Berlin. Although they seem to be open for any entrepreneur with an "immigration background," the discretionary power of executive boards dominates the membership decision and its process in both associations. In TDU and MÜSİAD Berlin, the application of a candidate (or suggestion of a member on the candidacy of an entrepreneur) goes through an informal investigation, focusing mostly on the personal achievements and "contribution" of the company. However, the main point of divergence is the membership of women and "Germans". In MÜSİAD Berlin there is no "German" or woman (except for the members of "Ladies Committee" working as a part of Young MÜSİAD) entrepreneur. In comparison to this, TDU tries to increase the number of women and "Germans," which used to be a discussion point in the previous years among its members.

> This is not the same TDU anymore. Ten years ago, there was an important gap and it was the responsibility of TDU to fulfill this. But, now we need more reforms.

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> Especially, the number of women. Because, we don't want to be a club of men. There is already one. We also say that we work for the Turkish community. Yes, that is true. But we are Turkisch-Deutsche [Turkish-German]. So we need at least ten German entrepreneurs in TDU. And one of them should be on the board. (Emre, interview, 21.07.2006).

Having partly discussed Cemal's comment on MÜSİAD Berlin (Neukölln) and TDU (Ku'damm), I now want to look at the Emre's experiences as another "networking captain".

The focal point of Emre's company is *Bildung* (education, formation or culture). According to him, this has been a core component of his entire life. Finishing secondary school in Turkey, Emre (Antakya, 1958) came to Berlin with his mother (literate and a former seasonal worker in Adana). This had the effect of being a family reunification, since his father (illiterate and a former textile factory worker outside of Adana) had been working at a tobacco factory in West Germany since 1968. At the beginning of 1970, his father came to Berlin and found a job at Siemens with the help of Emre's uncle and aunt, who had already been *Gastarbeiter* in Berlin since 1968. After starting his new job in 1971, he brought his family in 1972 and also found a job for his wife at Siemens two years later. Although his parents were able to work at Siemens until their age of retirement, early years of school life in Berlin was full of ruptures for Emre.

Upon his arrival, Emre started to learn German in a class which was composed of students with "immigration backgrounds" (from Turkey, Morocco and Tunisia). There was also a huge difference in terms of their education levels. Some had already graduated from primary or secondary school, whereas others did not go to the school or had only been able to finish the second grade. Being at an advanced level in mathematics, physics and chemistry in comparison to his friends, Emre was promised by the director of his school (communicating with him through a translator) to attend a "German class" after meeting the precondition of improving his German. Hence, under the guidance of his class teacher, Emre started improving his German from children's books at the library and practicing it in a football team

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composed of "German" students. One year later, as a result of his performance, he was taken to a seventh grade "German class". But, this would not be his class for long. At the end of two weeks, he was sent to the eighth grade, where he stayed only 3 months. And participating in the courses of ninth grade for five months, Emre attended the tenth, from which he got his diploma. According to him, the "tolerance" of his teachers played a big role in this achievement, since his final grades of German literature, history and geography were "still bad" in comparison to mathematics, physics, chemistry and English. It was also the "tolerance" of his teachers that encouraged him to find a company, in which he completed his apprenticeship: *Ausbildung*.

After his apprenticeship, Emre started working as a salesperson at the same company that was designing and producing car interior accessories. As a salesperson, he took various seminars focusing on French companies like Renault and Peugeot. At the end of three years, his boss offered Emre the position of technical director of the office that was going to be established in France. Yet, considering his "attachment and responsibilities" to his parents, brother, sister and partner (his future wife), he did not accept the offer and decided to look for a job in Berlin. He worked as a product manager for two years in a company that was specialized in lighting systems. And in 1988, he found the "most motivating job" in another "German" company on *Bildung*.

This "German" company was giving vocational education and training to young people. At the end of seminars (designed by experts mostly for two years), one could become a plant mechanic, manager, florist, cook, bicycle mechanic, metal worker, coiffeur, waiter, cosmetician, salesperson or tailor. Starting as a consultant in this "German" company, Emre became one of four directors within three years. During this period, he was also training himself.

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In this context, he decided to get a certificate on metal engineering, since he was planning to buy a firm. This small firm, being at the edge of bankruptcy, produced various metal goods for the construction sector. According to him, this was "perfect timing," because Berlin, after the fall of the Wall, was offering a lot of opportunities for construction firms. Hence, by reaching an agreement with his "German" boss, he became the owner of this company at the end of 1992. As their agreement described, Emre held his position as a director and concentrated on his metal business after his office hours at the vocational education and training company or at the weekends. Apart from his previous savings, he got financial support from his parents and friends with "immigration backgrounds" (which can be considered a result of resource mobilization in an immigrant's "network" by the literature on "ethnic entrepreneurship"), a small amount of credit from the bank and a state incentive for technical equipment to run this metal business (Light and Gold, 2000). Even though he had worked with small construction firms of his friends (an interesting junction point in terms of the development of construction sector in Berlin and Emre's "network"), at the end of five years Emre turned into a "real entrepreneur" with ten employees.

Yet, a more radical change in his life would happen in 1997, when his "German" boss presented him with the opportunity to take over a part of company that was "not effective" for him to deal with. Emre accepted this offer and made another agreement to pay for the shares of his "German" boss in the long run, because he was still paying off his debt to the bank for his metal business. This was an offer that he was not able to turn down mainly for two reasons.

First, companies on vocational education and training work with the state. This has had great potential, especially since the beginning of the 1990s. Broadly speaking, the German welfare state, which tries to cut down its public expenditure (due to German reunification and restructuring policies), has been selling its "responsibility" of vocational

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education and training through auctions to the companies. Even though various institutions (e.g. trade unions, business associations and organizations founded by the church) have been running larger projects in this sector (with a greater impetus since the beginning of 1980s), small companies have also been encouraged because of their "engagement" in the development of urban districts. In a way, being accustomed to the "problems" of their districts, these companies are regarded as catalysts with efficient methods in educating, training and even finding jobs for young people. Therefore, for Emre, vocational education and training has more to offer than the construction sector, since Germany needs to be more competitive in the "near future."

Second, the potential of the offer was related to this specific part of the company that turned out to be "not effective" to deal with for Emre's "German" boss. The company had been targeting young people with "immigration backgrounds" for a long time. This was mostly in practice under the responsibility of Emre as a consultant. But it was not benefiting from one of its end products, i.e. finding job to young people with "immigration backgrounds." This end product (finding job to these young people) is one of the decisive factors in getting the "upper hand" in state auctions, in addition to the quality of seminars, number of students and instructors, variety of trainings, and price quotes.

According to Emre, his "immigration background" would have been an asset to turn this "not effective" part into a profitable, effective or valuable mechanism. This was an asset that could enable him, first, to understand, define and categorize problems of youngsters and adults (with whom he shares a common "background") and then to bolster their abilities for "a satisfying future." For him, this "satisfying future" was substantial not only for their "successful integration to Germany" but also for a "good representation of the values from their backgrounds" (which can function as a tool of reproducing the pre-given identity of

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"immigrants" from Turkey). And his endeavor to achieve these objectives could have been a good example of "social responsibility."

Yet, this responsibility could not have functioned only by designing seminars for youngsters and adults with "immigration backgrounds." According to Emre, those people "without an immigration background" should also be taken into consideration. This was crucial, first, not to be excluded from the state auctions, in which the target population could be predominantly "German" youngsters and adults. Second, such a concern could generate a "holistic integration approach" and hence would provide a crucial proof of their know-how concerning "interculturality" (recalling the example of *ISI e.V. Initiative Selbständiger Immigrantinnen e.V.*, Initiative of Self-Employed Immigrant Women, in chapter 5).

Relying on this mindset, Emre opened his vocational education and training center in 1999. Within ten years, the center has reached a capacity of 950 trainees, 125 employees (composed of instructors, consultants and administrative staff) and 30 different seminars (all start in September and last for a year or two depending on the program). It also shifted the focus of Emre from metal business to education and training. His metal company gradually lessened its working capacity and got integrated to the center in terms of giving small job opportunities to trainees in the metal sector.

Characterized with "experience, commitment and social competence" by Emre, the center is two blocks away from Schlesisches Tor, which is the last *U-Bahn* station for U1 before crossing *Oberbaumbrücke* (one of the border crossing points during the era of Berlin Wall). Having been located at the eastern part of Kreuzberg municipality until 2001, and after that one of the connecting spots of the Friedrichschain (East Berlin) – Kreuzberg (West Berlin) municipality, the center is surrounded by various cafes, restaurants, clubs and Görlitzer Park. The center's milieu is an attraction center for many tourists and people living in Berlin. Emre's "education facility" is inside the borders of *Quartiersmanagement*

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(Neighborhood Management) *Wrangelkiez* that is defined under the program of *Stadtteile mit besonderem Entwicklungsbedarf – die soziale Stadt* (Districts with Special Development Needs – The Socially Integrative City). In this context, Emre and his center are supporting the tasks of *Quartiersmanagement Wrangelkiez*, e.g. engaging in young people with "immigration background" to prevent violence, criminality and drug dealing (around Görlitzer Park); promoting educational and training programs to provide job qualifications for these young people; "integration" of people with "immigration background" as the dominating population of this district; and mobilizing the local economy to create employment and apprenticeship opportunities (Quartiersmanagement Wrangelkiez 2008).

Emre, who has already experienced the difficulties of learning German language, "integration" and finding a job, is taking care of people, especially those with an "immigration background," through the framework of his center. His center, at this particular location, works as a school. It equips young people with necessary qualifications through the seminars and then tries to find jobs through close cooperation with Job Centers (Friedrichshain-Kreuzberg, Neukölln, Tempelhof-Schöneberg and Charlottenburg-Wilmersdorf), *Bundesagentur für Arbeit* (Federal Employment Agency), IHK Berlin and HWK Berlin. In addition, it provides a moral guidance by trying to take them out of violence, criminality and drug dealing/addiction on the streets. It intervenes in a district that has "special development needs." Emre believes this endeavor can contribute to the "immigration" policies in Germany.

> Since the beginning of the 1990s, there has been an important change in these policies. It is pretty clear when you look at the statistics. Germans are getting old and birth rates are not increasing. So who is going to work and cover the expenses? They need immigrants. They are looking for qualified immigrants. They want immigrants with university degrees. The German state doesn't want extra costs anymore. This is about optimization. But, I don't think that they are going to be successful in this. Those kinds of immigrants are going to the USA, or even to Canada. Germany is not tempting for them. And right at this point, it is important to see what they are doing here. We deal with immigrants that have been living in Berlin for years. They were neglected or did not get a second chance. We train them.

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> We find jobs. We integrate them. We generate a policy more effective than what the German state is looking for. (Emre, interview, 21.07.2006)

In a word, Emre, as a "captain" with his art of navigating in this competitive environment, describes a way of optimizing economic benefit and minimizing socio-economic and political costs, which *Bildung* is an "instrument to secure one's life and future."

Yet, educational work (as a method of optimizing economic benefit, minimizing socio-economic and political costs for policy makers and securing the future for youngsters and adults) is about *Netzwerkarbeit* (networking). This is the juncture that membership in TDU (alongside other memberships) brings a motivation for Emre, basically for two reasons. The first reason is that TDU provides a way to stay in touch with entrepreneurs that share an "immigration background" from Turkey. This shared "background" functions as a machine that produces a responsibility for the "third generation." Making job and apprenticeship opportunities available in their companies is a useful way of showing the responsibility that can secure Emre's business and provide a state incentive for members of TDU.

Broadly speaking, especially after the fall of the Wall, the state (and here the Senate of Berlin as the main customer of Emre more than the Federal State) has been trying to guarantee that trainees could find relevant jobs after finishing their seminars. Legitimizations of this "optimization" are the challenges of German reunification, Berlin's restructuring, huge budget deficit, high levels of unemployment and dependency on social assistance. In this sense, new regulations are introduced into the state auctions.

> After the initial analyses, the state was easily giving the money. They used to say: I need 10 people in this sector and 5 people in that sector. Now, this is not enough. They want you to bring more success. Let's say there is a seminar for adult florists. At the end of this seminar, we have 6 months to find jobs for 70 percent of our trainees. If you fail to reach this level, you will be marked as unsuccessful and then you will not be able to open that seminar for a period. Of course, the state controls this. But, the market can change in 3 years. That means when there is more demand for florists, you can open that seminar again. If you reach 70 percent, the picture changes completely. Automatically, you will be able to open that seminar next year. Don't forget the fact that all of these adults are unemployed and they have official records. That means you will get extra money if you find jobs to them. That is not

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> all. The person, who employs my trainee, will get an incitement from the state. At the end, there is a win-win situation. I have been telling this to friends in TDU for years. Finally, we have reached a consciousness on this topic. (Emre, interview, 11.10.2008)

The second reason is that this shared "background" functions as a machine that produces a responsibility for each other as entrepreneurs. According to Emre, similar to Cemal's formulation of MÜSİAD Berlin, this is a responsibility to guide the members of TDU (or someone who wants to become one) on various issues so that they would not have constant "problems," "failures," "impotence" and "ineffectiveness." An example of these "failures" for entrepreneurs with "immigration background" can be observed at the level of business planning. Whether they apply for a credit or not, they "do not look at where they stand."

> In order to do this, you don't need a degree from the university. Sometimes you have to put the cap in front of you and think. Nothing else. What do you have in your hand? What are your skills? How can you use this? What do you need to put it into work? You have to start with these basic questions. Unfortunately, our friends insist on making the same mistakes. Look at the streets: "Ali makes a lot of profit from the market. If I open mine, I will get half of the customers and make profit as well." Let's say this person also opens his market and makes profit because he gets helps from his family. After two years, Veli comes and opens a third market. Or, seeing the money in his pocket at the end of the month, he thinks: "This is my profit. Let me buy a car or a new house." One year later, when they come to get the taxes, of course he does not have anything to give. In both cases, we know the results. A bankruptcy and then a family tragedy. (Emre, interview, 11.10.2008)

In order to prevent this tragedy, Emre gives emphasis to an action: put the cap in front of you and think. Here, signifying one's head, brain or consciousness, the cap is the point of departure. The entrepreneur has to turn the gaze to him/herself. It is an action to see where one stands. It is a conversion. Still, the entrepreneur does not turn away from his/her appearance or from this world to the other. He/she does not return to discover the light or source of being. Rather, this is a long and continuous action, in which the entrepreneur has to look at his/her capacities and train him/herself. So, what could be the contribution of TDU as a "network" of entrepreneurs with "immigration backgrounds"?

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TDU has been trying to guide its members through social activities similar to those in MÜSİAD Berlin. These activities include a talk given by Ehrhart Körting (Berlin's Senator of Interior) on "integration of immigrants in problem districts", an exhibition that was opened by Günter Piening (Berlin's Commissioner of Integration and Migration since 2003), a visit to the American Ambassador in Berlin, a reception for *Kurban Bayramı* (Feast of Sacrifice), a qualification project with the co-operation of a company (*BFW*, Berufsfortbildungswerk), a seminar given by Prof. Rolf Haase on Right and Taxes, a business trip to Israel, meeting with representatives of a local government (Charlottenburg – Wilmersdorf), and a lecture to 30 students entitled *Selbst Chefin* (being the boss of oneself) on April 23 (*National Sovereignty and Children's Day* in Turkey). Among these activities, according to Emre, one of the seminars has a fundamental role.

These annual seminars target those (with an "immigration background"), who are at the initial stage of setting up their businesses as the title clearly puts it: *Existenzgründungsseminare*. Literally, they (*Existenzgründungsseminare*) are seminars for establishing one's livelihood. As their name implies, they provide means of supporting one's existence, conduct of life or way of life. Their objective is to equip the participants with basic necessary means (sets of knowledge) before they start their dangerous journey. Yet, these sets of knowledge (on business planning, taxes, advertisement, credit applications, accounting, customer relations, incentives and consultancy agents) have a limited function. Or, as Matthias von Bismarck-Osten (chief representative of IBB) underlines, it is "just a beginning" for *Mitbürger nicht-deutscher Herkunft* (fellow citizens without German origin), who experience "special problems at the competitive labor market" in Berlin and possess the "meaning of self-employment as a traditional value" (BWK 2009, 4). And this is a limited function (or a beginning) not because of the fact that seminars run for two days and the amount of knowledge that can be obtained is not adequate. Rather, it is because of the

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rationale of these seminars: practice, exercise and training. The participants (with an "immigration background") are going to know about entrepreneurship when they start practicing it in their lives, keep on consulting experts or participating in further *Ausbildung* programs. It is a long and continuous journey. It is not easy, since they can expect a lot of "problems," "failures." Still, this way of life (being an entrepreneur with an "immigration background") is a means of "integration" into the existing milieu. It contributes to a form of *leben miteinander* (living with each other), which reminds the motto of *Multikulti* in Kreuzberg (as Hasan underlines) and hence reproduces the pre-given existence of identities and the naturalness of their "differentiating" function.

These seminars are designed with co-operation of several "immigrant organizations" (each standing for a "network" that has the capacity to promote "ethnic entrepreneurship" in Berlin); e.g. TDU, TBB, *Al-Itihad Arabisch-Deutscher Frauenverein* (Union of Arab-German Women), *ISI e.V.*, (chapter 5), *NIKE-Polnische Unternehmerinnen e.V.* (Business Association of Polish Women), *TANGENS Gesellschaft zur Förderung der interkulturellen Zusammenarbeit West und Osteuropas e.V.* (Society of West-East Europe for the Promotion of Intercultural Cooperation), *Vereinigung der Vietnamesen in Berlin-Brandenburg* (Association of Vietnamese in Berlin-Brandenburg) and *Verein für Gegenseitigkeit e.V.* (Association of Reciprocity). As Harald Wolf (Berlin's Senator for Economy, Technology and Women) argues, this extended cooperation is vital both to take into consideration the "cultural diversity" of different "ethnic communities" in Berlin and to deal with their "special questions and problems" in terms of entrepreneurship that cannot be covered under the "general aids given to those who want to set up their businesses" (EKCON Management 2007, 1). Accordingly, it is taken for granted that the "ethnic entrepreneurs" have "different" needs (because of the "cultural differences" that are considered as symbols of *Multikulti*) and their "networks" help to solve the "special questions and problems".

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According to Emre, having guaranteed the funding and support of Berlin's Senate Department for Economy, Technology and Women and IBB, these seminars are the most effective educational devices to develop one's skills. They facilitate a ground for already existing entrepreneurs and those who are at the stage of setting up their businesses.

> Our people do not have the capacity to spend money for business consultancy. Or they still do not understand its importance. When they spend money, they want to get something concrete in their hand. This is what we want to change with these seminars. *Bildung* is a task for your entire life. I still attend different seminars. At least three times a year. (Emre, interview, 11.10.2008).

As a "networking" entrepreneur, whose focal point is *Bildung*, Emre also got involved into the coordination of these seminars through his TDU membership. His company did not only benefit from the founding of Berlin Senate and IBB but also become the official education partner for entrepreneurship of people "without German origin."

Following this new "responsibility," he started to give a training project regarding the enterprises with "immigration backgrounds." His project, targeting only young people with "immigration backgrounds," is financed by the Federal Ministry of Education and Research (under the project of *JobStarter: für die Zukunft Ausbilden*, Training for the Future) and European Social Funds (EFS, under the program period of 2007-2013) of the European Union. In this manner, Emre intends to train young people based on the "particular needs of each entrepreneur with immigration background" and to generate a method of optimization for the larger family.

> Entrepreneurship is full of risks. You have to arrange a harmony between your family life and business life. You have to explain the difficulties of your job to family members. Not only to your wife but also to your children. You fulfill a lot of responsibilities simultaneously. This new project is also based on this idea. First, we have to know the needs of our entrepreneurs. These needs are different from each other. Let's say, you make a plan for the company A, but this cannot fit to the needs of company B. After this, you can train young people with these specific skills. In this way, you can increase the efficiency of firms and find jobs for young people. This is a kind circle. Better education, better jobs; better jobs, better companies. At the end, this ethic will spread to the whole family. It will work as a self-help mechanism in the integration of our people. (Emre, interview, 11.10.2008)

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7.4 Concluding Remarks

In this chapter, I tried to look at the constitution of "ethnic entrepreneurship" through the "networks" of three male figures; i.e. Hasan - "Alevi-Kurdish network", Cemal - MÜSİAD Berlin, and Emre - TDU. The chapter not only reflected on the complementary tools of "self-help" (chapter 5) and "helping others" (chapter 6) in the formation of "ethnic entrepreneurship", but also outlined the institutional settings that can be shaped by the "ethnic entrepreneurs" themselves. Accordingly, these "networks" presented a complementary perspective in relation to the literature of "ethnic entrepreneurship" (chapter 4) and the institutional settings, which can be shaped by the experts - *ISI e.V.* (chapter 5) and by the policy makers - *Quartiersmanagement* (chapter 6). In this sense, one can highlight certain features of these "networks".

Being established and solidified since the beginning of the 1990s, these "networks" function as social entities without clear-cut boundaries in terms of membership whether they were set up in an institutional structure (Cemal - MÜSİAD Berlin and Emre - TDU) or not (Hasan - "Alevi-Kurdish network"). Since there is no restriction on it, some members of MÜSİAD Berlin have become members of TDU (and vice versa). Also, while some entrepreneurs from "Alevi-Kurdish network" prefer to get into the TDU, others choose to stay out of these institutional structures and still can take part in different social activities organized by other "networks." Here, it should be noted that MÜSİAD Berlin has "Sunni and Kurdish background" entrepreneurs among its members. Despite the ambiguities in terms of membership, these social entities have a constituent role on the "ethnic entrepreneurs".

This constituent role operates through various disagreements and compromises. Although they are meant to promote trust and loyalty among members as discussed in the literature of "ethnic entrepreneurship", these "networks" can become the core of mistrust and suspicion (Hasan - "Alevi-Kurdish network"). Additionally, they can promote its members to

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compete with "other captains and other fleets", even though they have similar objectives during their dangerous journey (Cemal-MÜSİAD Berlin and Emre-TDU). Or, acting as platforms, they can intend to solve "problems of certain districts", even if they have a lot of "impotence" and "problems" within their own "networks" (Cemal-MÜSİAD Berlin and Emre-TDU). Although they can work together in certain projects (e.g. development of the rights of "immigrants" in Germany and reforms on the *Meister* degree in particular branches), these "networks also signify different political thoughts and movements for their members.

In spite of the differences and controversies, these three "networks" provide a ground to discuss and define the images and "problems" of "ethnic entrepreneurs" in Berlin. They operate as social organizations, in which the exchange of goods, capital, knowledge and experience is possible. They are considered to be "useful" for the personal interaction, reciprocal support and solidarity (Granovetter 1985 and Castells 1996).

Especially, in the literature of "ethnic entrepreneurship", the concept of solidarity has a crucial place, because it is based on the "similarity" of its members' situations and a feeling of "common identity" (*à la* Durkheim), i.e. having an "immigration background" or *nichtdeutscher Herkunft* (non-German origin) (Donzelot 1991).[clxvii] According to this rationality, the "similarity" of its members' situation enables the "networks" to create a form of utility not only for each member ("captain"), but also for the whole network ("fleet") and "other networks". In order to maintain this utility, "ethnic entrepreneurs" reproduce the pre-given identities by referring to their "networks".

In a broader framework, it is crucial to underline that one of the latest acknowledgements of the "networks" functioning as social units was made by *Berlin Partner GmbH* with the motto of *Unser Netzwerk – Ihr Vorteil* (Our Network – Your Benefit). Being dedicated to marketing Berlin as the German capital and a business location (chapter 1), *Berlin Partner GmbH* utilizes the concept of "network" as inclusive as possible for the

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companies in Berlin and presents it as support mechanism in the search for cross-border business partners, transnational technology transfers and innovative enterprises (2008). Therefore, one can question the "need" for the "networks" of "ethnic entrepreneurs" in Berlin given the extended role of "networks" like *Berlin Partner GmbH*. Once again, the life stories of Hasan, Cemal and Emre in relation to their "networks" or "networking" experiences shed light on this question.

Established and developed after the fall of the Berlin Wall, these "networks" have become one of the means of "immigrants" from Turkey to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification (chapter 3). In this sense, they signify an image of the "immigrants" from Turkey that could not be associated with *Gastarbeiter* and being part of the social concern, fear and risk. Rather, these "networks" emphasize the "needs" of "ethnic entrepreneurs" (similar to their "German" counterparts) to train/educate themselves for the subsistence of their lives and to remain up to date on business planning, taxes, advertisement, credit applications, accounting, customer relations and incitements.

In addition, these "networks" mean to understand and be familiar with the "particular needs and problems" of "immigrants" from Turkey, because of the members' pre-given identity. This particular know-how not only differentiates the "networks" of "ethnic entrepreneurs" from their "German" counterparts but also provides a ground for the political rationality to benefit from their capacities in solving the "problems of immigrants", e.g. highest rates of unemployment, dependence on social assistance and violence, as well as the lowest levels of education and "integration". Consequently, the conduct of relations in reference to the "particular needs and problems" of "immigrants" from Turkey becomes the

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indispensable condition for the subsistence of these "networks" and hence the constitution of "ethnic entrepreneurship".

As social units that can produce the grounds of legitimacy in reference to "particular needs and problems" of "immigrants" from Turkey, these "networks" promote the image of "ethnic entrepreneurship". Their members are considered to have the capacities to guide, direct, conduct, steer, teach and advise. This image, as the bearer of moralities, is substantial not only for the well-being and "integration" of "immigrants" from Turkey but also for equipping oneself with "necessary" tools to complete his/her dangerous journey. In this context, the "networks" of "ethnic entrepreneurs" (similar to the laws, regulations and institutions that construct social policies) help regulate the relation between society and economy and run parallel to the neo-liberal understanding that capitalism does not contradict within itself as an economic thought and that competitive market society is possible (as discussed in chapter 4). As a result, relying on the feeling of "common identity", these "networks" become the social units that can produce the ways of conducting the lives of "immigrants" by themselves.

Endnotes:

[cxlix] Interestingly, Hüseyin's usage of *ma* does not correspond with the connotation of *my*. Broadly speaking, *ma* refers to the informal shortening of *mamma* and Kurdish translation of *my* is *yê/ya min*. Yet, one does not face with a lost in translation in the case of *Rosa*, which literally denotes rose or *gull* in Kurdish.

[cl] Ernst Bäumler, *Die Rotfabriker, Familiengeschichte eines Weltunternehmens*, (München: Piper, 1988).

[cli] S. Aygün and A.F. Baz, *Ganz oben. Türken in Deutschland* (Suhl: Wirtschafts-Verlag, 2002).

[clii] Günter Wallraff, *Ganz unten* (Berlin: Aufbau Verlag, 1986).

[cliii] Apart from various "networks" without an institutional organization, TDU and MÜSİAD Berlin are the two main active organizations in Berlin for entrepreneurs with "immigrantion background" from Turkey. ATDİD (Association of Turkish Döner Manufacturers in Europe) and BETÜSAB (Berlin Türk Seyahat Acentaları Birliği, Union of Turkish Travel Agencies in Berlin) are sector specific organizations located in Berlin and most of their members have also memberships in TDU and MÜSİAD Berlin. On the other hand, having representative offices in Berlin, TD-IHK (Türkisch Deutsche Industrie und Handelskammer - Turkish German Chamber of Industry and Commerce- located in IHK Berlin) and TÜSİAD Berlin work in general for the development of industrial and commercial relations between Germany and Turkey.

[cliv] Here, the Kemalist state of mind represents the elitist rationality in Turkey, which considers the Kurdish and Islamist movements and parties as threats to the security and integrity of the nation-state. Yet, it is not in the scope of this study (and this chapter) to examine the historical conditions of the Kemalist state of mind. For a general perspective on Kemalist state of mind see, Ahmet İnsel (ed.) *Modern Türkiye'de Siyasi Düşünce, Cilt 2 / Kemalizm*, (İstanbul: İletişim, 2001). See Mesut Yeğen, *Devlet Söyleminde Kürt Sorunu*, (İstanbul: İletişim, 1999) and Mesut Yeğen, *Müstakbel Türk'ten Sözde Vatandaşa*, (İstanbul: İletişim, 2006) about the formulations

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of "Kurdish issue" by the political rationality in Turkey. For a general perspective on islam in Turkey, see Yasin Aktay (ed.), *Modern Türkiye'de Siyasi Düşünce, Cilt 6 / İslamcılık*, (İstanbul: İletişim, 2004).

[clv] This disadvantaged position of "immigrants" is not unique to the context of Germany. For a comparison, see Boyd, 1991.

[clvi] As we have seen in chapter 3, this is the period that indicates a peak point in the construction sector. For a recent statistical analysis from the perspective of investment banking, see Catherine Stephan, "Unified Germany Celebrates Its 20th Year," *Economic Research- BNP Paribas*, 2011.

[clvii] For many crafts in Germany one needs a *Meister* degree to run a business in that relevant craft. To acquire this degree, a person has to (first) complete the stages of apprenticeship and journeyman and (second) take the courses that will be followed with an examination (*Meisterprüfung*). All of these stages are regulated by *Gesetz zur Ordnung des Handwerks (Handwerksordnung - HwO)*. Yet, a person, who does not acquire a *Meister* degree, can reach an agreement to work with a *Meister* in order to run the company under his/her title.

[clviii] For Alevi identity in Berlin see Ayhan Kaya, "Multicultural Clientelism and Alevi Resurgence in the Turkish Diaspora: Berlin Alevis" *New Perspectives on Turkey*, 1998, (18): 23-49, Ayhan Kaya, 2002. "Aesthetic of Diaspora: Contemporary Minstrels in Turkish Berlin," Journal of Ethnic and Migration Studies, 2002, 28(1): 43-62.

[clix] Literally, *Cemevi* stands for the house (*ev*) of gathering (*Cem*). For the Alevi population, it is a place not only of worship but also various cultural activities. See, Tord Olsson, Elisabeth Özdalga and Catharina Raudvere, *Alevi Identity, Cultural, Religious and Social Perspectives*, (London: Routledge, 1998) and Martin Sökefeld, *Struggling for Recognition: The Alevi Movement in Germany and in Transnational Space*, (New York: Berghahn Books, 2008).

[clx] The market opportunity, which Cemal underlines, cannot be explained with the formulations of the interaction and mixed embeddedness approaches, since they associate the market conditions (for "ethnic entrepreneurs") with ethnic" consumer products and position of businesses in the "open" markets. See, Waldinger, Aldrich and Ward 1990 and Engelen 2001.

[clxi] Although the mixed embeddedness approach tries to underline the regulations as barriers on the entrepreneurial activities of "immigrants", their arguments do not challenge the pre-given identity of "immigrants" in these regulations and policies and hence they fail to present how this categorization can function as a mechanism of othering at different levels. For an example of this understanding see, Kloosterman 2000.

[clxii] MÜSİAD has several branches, i.e. 30 in Turkey and 8 in Germany (Berlin, Köln, Hamburg, München, Frankfurt, Ulm, Hannover and Stuttgart).

[clxiii] See, Ayse Bugra, "Class, Culture and State: An Analysis of Interest Representation by Two Turkish Business Association," *International Journal of Middle East Studies*, Vol. 30, No. 4, (1998): 521-39; A. Bugra, *Islam in Economic Organizations* (TESEV/Friedrich Ebert Stiftung, 1999).

[clxiv] Also see Ayse Bugra, *State and Business in Modern Turkey: A Comparative Study*, (Albany, NY: State University of New York Press, 1994); idem, "Political Sources of Uncertainty in Business Life," in *Strong State and Economic Interest Groups*, ed. Metin Heper (New York: Walter de Gruyter, 1991). Additionally, for Bugra's approach that fits into the framework of "ethnic entrepreneurship literature, see A. Bugra, "Political and Moral Implications of Reciprocity Networks in Modern Societies" in *Economy and Society: Money, Capitalism and Transition*, eds. Fikret Adaman and Pat Devine (New York: Black Rose Books, 2001); Ayse Bugra and Behlul Usdiken, *State, Market and Organizational Form*, (New York: Walter de Gruyter, 1997); and Ayse Bugra and Kaan Agartan, Reading Karl Polanyi for the Twenty-First Century: Market Economy as a Political Project, (New York: Palgrave MacMillan, 2007).

[clxv] Yet, in terms of this inclusive role, one has to keep in mind that MÜSİAD Berlin does not have a woman entrepreneur among its members.

[clxvi] In terms of the political sphere, Cemal also mentions the development of his relationship with Tayyip Erdogan (prime minister since 2003) during his mayorship in Istanbul (1994-1998). Interestingly, this is the period that MÜSİAD Berlin was established and started to develop its role in Berlin as a business organization supported by the central office of MÜSİAD in Istanbul.

[clxvii] In the context of Germany, one of the categories that can be utilized to build a "common identity" among the "immigrants" is the conceptualization of "migration background". Emphasizing the pre-given identity of "immigrants" in the framework of German institutions, regulations and statistics, this category can even apply to a "third generation immigrant," who was born in Germany and has a parent with a "migration background". For an example of this definition see, Statistisches Bundesamt, *Bevölkerung und Erwerbstätigkeit, Bevölkerung mit Migrationshintergrund – Ergebnisse des Mikrozensus 2009*, (Statistisches Bundesamt, Wiesbaden 2010).

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CHAPTER 8

CONCLUSION

December 17, 2010. Finally, I am visiting the new work of Dutch artist Willem de Rooij: "Intolerance". *Neue Nationalgalerie* (New National Gallery[clxviii]), the famous *lichte Tempel aus Glas* (temple of light made up of glass) *Potsdamer Platz* is hosting this temporary exhibition. Huge black window curtains and *50 Lux* lighting system in the space of installation intend to generate the maximum level of brightness that a group of 17th century Dutch bird-paintings by Melchior D'Hondecoeter (1636-1695) and 18th-19th century feathered objects from Hawai'i can "tolerate" because of their extremely "fragile" features. Coincidently, this interior order fits to the gray and cloudy weather in Berlin, which is mostly covered with snow.

Eighteen paintings and eleven feathered objects (god images, helmets, capes and cloaks in five integrated climatized vitrines) are presented to the spectator at two sides of a room divider - massive white rectangular prism - on the ground floor of *Neue Nationalgalerie*. These twenty-nine exhibits are brought from different parts of "Europe": Bayerische Staatsgemaeldesammlungen München, Alte Pinakothek; Kassel, Gemäldegalerie Alte Meister; Royal Picture Gallery Mauritshuis, Den Haag; Staatliche Museen zu Berlin, Ethnologisches Museum; Paris, Musée du Louvre; The National Museum of Denmark, Ethnographic Collections; Museo Thyssen-Bornemisza, Madrid; Loan Netherlands Institute for Cultural Heritage, Rijswijk/Amsterdam; Le Havre, musée Malraux; Suermondt-Ludwig-Museum Aachen; Königliche Kunstmuseen Belgiens, Brüssels; Koninklijk Museum voor Schone Kunsten, Antwerpen; University of Aberdeen, Scotland; Newcastle upon Tyne; Pitt Rivers Museum, University of Oxford; Museum voor Schone Kunsten, Belgium; Staatliche Museen zu Berlin, Gemaeldegalerie; Szépmüvészeti Múzeum, Budapest; Rijksmuseum,

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Amsterdam; Museum Bojimans Van Beuningen, Rotterdam; Bourg-en-Bresse, musée du Monastére royal de Brou.

Yet, two works from the collections of State Museums in Berlin (*Staatliche Museen zu Berlin*) seem to be predominant for Willem de Rooij's "Intolerance"[clxix]: a feathered head representing the war god Kuka'ilimoku from the Ethnologisches Museum in *Dahlem* and a painting entitled *Pelikan und andere Wasservögel in einem Park* (Pelican and Other Waterfowl in a Park) by Melchior D'Hondecoeter from the Gemäldegalerie near *Potsdamer Platz*.

As seen in these two works and a selection of related groups of objects, the installation aims to represent prevailing financial and territorial power structures in the 17th, 18th and 19th centuries. To be more specific, the "Pelikan und andere Wasservögel in einem Park" and related objects are selected to depict the complex colonial relations of the 17th century. Or, as the short description on the press release suggests,

> The Dutch painter Melchior D'Hondecoeter exclusively painted images of birds. These 'group portraits' were praised for their realism and were popular among commercial and political elite of that time. These paintings served as status symbols, and at the same time depicted them: Exotic birds, which had been imported on Dutch merchant ships from newly discovered territories in Asia, Africa and South America. Melchior D'Hondecoeter's birds come together in dynamic compositions, often shown in conflict or under threat by one another. They seem to display human character traits, suggesting commentary on Dutch society of the 17th century; a society rapidly gaining socio-demographic and economical complexity through its colonial ambitions in an increasingly global market. (Staatliche Museen zu Berlin 2010, 2)

Without doubt, this colonial context can be described with another wording. In the opening speech of "Intolerance", Hortensia Völckers, Board and Art Director of the German Federal Cultural Foundation, interpreted the meaning of these paintings as *Gewalt. Sterblichkeit. Kürze des Lebens* (Violence. Mortality. Brevity of Life.) and gave a subtext of these paintings through the didactic attitude of the fable: *Alles wird beherrscht von der*

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Neigung, zu moralisieren (everything is dominated/ruled/controlled by the trend/disposition to moralize) (2010, 3).

In a complimentary manner, the war god Kuka'ilimoku and related feathered objects are brought together to underline the domain of power, status, beauty and death during the colonial expansions of the 18th and 19th centuries.

> In pre-Christian Hawai'i (the period before James Cook's trip to the islands in 1779) the god of war was named Kuka'ilimoku. Three-dimensional representations of his head were carried along during processions, as were helmets, capes and cloaks. All of these objects are covered with feathers, which decorated and protected chiefs and religious leaders. The base of the heads and helmets is a basket-like structure covered with a net material, which holds thousands of red and yellow feathers. Hundreds of 'i'iwi birds had to be captured, killed and plucked for every object. The fear-provoking facial features of the feathered god are produced by seashells, dogs' teeth and human hair. Feathers were believed to establish contact with gods and deceased ancestors. The significance of these feathered heads, helmets, capes and cloaks was to convey individual strength and to fight off external dangers.
> Construction of these complex sculptures and garments involved various specialized skills, enabling entire villages to collaborate in proto-industrial production processes. Only 19 feathered heads remain known today, most of which were brought to Europe following James Cook's final voyage through the Pacific. Approximately 80 helmets and 180 cloaks or capes are now in collections in Europe and abroad. While Cook mainly aimed to collect materials for scientific research, he also brought back trophies and souvenirs with him to cover the costs of his travels. By their dislocation from the Pacific to the western world the function and meaning of these objects changed dramatically – ritual objects, which had to do with war, status and hierarchy, became renderings of the exotic. (Staatliche Museen zu Berlin 2010, 3)

Broadly speaking, deriving from these two works and their related groups of objects, the spectator is pushed to reflect on forms of resentment through the lenses of history. According to Völckers, de Rooij creates an echoing half darkened space to question ruling and violence, global trade and representations of power and beauty, which are linked to each other and exist side by side (2010, 4). This assemblage of the Dutch artist, adds Völckers, indicates two facts: first, these historical contexts and striking natural beauties claim their uniqueness in every feathered object and painting; and second, these artifacts from different centuries and cultures stay side by side within a strange proximity. For the Board and Art Director of the German Federal Cultural Foundation, "Intolerance" in de Rooij's assemblage neither

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dissolves the inner antagonism of strangeness in both groups of objects nor provides a symbiotic harmony of difference.

At this point, Udo Kittelman (2010, 11) and Juliane Rebentisch (2010, 38) remind us that the exhibition title is actually an allusion to film history, which de Rooij is very familiar with: David Wark Griffith's "Intolerance" (1916). Subtitled "A Sun-Play of the Ages" and "Love's Struggle Throughout the Ages", Griffith's "Intolerance" is still considered as one of the greatest movies of the silent era by reviewers and film historians.[clxx]

In fact, "Intolerance" made its place in the American film industry following Griffith's first feature length work (1915), which was based on Thomas Dixon's 1905 novel "The Clansman". Or if one prefers, "Intolerance" is the defensive answer of Griffith to the widespread controversy for his racist masterpiece "The Birth of a Nation" (1915).[clxxi] Becoming the most successful box office attraction of its time and being the first film to be honored by a screening at the White House, this civil war epic (set during and after the American Civil War) is marked because of its innovative camera techniques in the silent film era (Jacobs 1975, 312). On the other hand, this successful box office attraction also promoted the white supremacy, slavery and knights of the Ku Klux Klan as heroes restoring the rightful order, even with a quote from Woodrow Wilson's 1902 *A History of the American People*: "The white men were roused by a mere instinct of self-preservation ….. until at last there had sprung into existence a great Ku Klux Klan, a veritable empire of the South, to protect the Southern country" (1908, 58-60). As a result, even though it was one of the most profitable films of the time, it generated criticism in some northern cities and hence forced Griffith to respond to this controversy through "Intolerance."

Apart from its relation to "The Birth of a Nation," Griffith's "Intolerance" was largely influenced by the Italian silent movie "Cabiria" (1914).[clxxii] Directed by Giovanni Pastrone, it tells the conflict between Rome (then the Roman Republic) and Carthage through the eyes of

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a young Sicilian slave (Cabiria, surviving an eruption of Aetna, was kidnapped by pirates and after various adventures became a slave in Carthage), who was rescued from being sacrificed to the cruel god Moloch by a traveler from Rome (Roman Patrician) and his slave Maciste. Set during the period of the Second Punic War (218-202 BC, also known as The Hannibalic War), the movie did not only reflect on Italian history with Hannibal (Carthaginian military commander) and his war elephants, but also introduced the heroic and muscular figure (Maciste as one of the epithets of Hercules – *Ercole*) to the Italian film industry.

Although it has similarities to Emilio Salgari's 1908 adventure novel *Cartagine in Fiamme* (Carthage is Burning) and Gustave Flaubert's 1862 historical novel *Salammbô*, "Cabiria" was written by Gabriele d'Annunzio (1863-1938), who had an important political influence on Italian Fascist movement and Benito Mussolini.[clxxiii] This screenplay was released after the war between the Kingdom of Italy and Ottoman Empire (1911-1912), in which the former was awarded the provinces of Tripolitania, Fezzan and Cyrenaica. In this historical context, the movie underlines several messages: Italy's Roman past, monstrous characteristics of Carthaginian society versus noble and heroic features of Roman society, a distant past and dreams to be achieved, a legitimate ground to the spirit of conquest, political symbols of fascism like the Roman salute, parades and fasces, celebration of Italy's colonial adventure in Libya, ideal slave of Maciste longing to be reunited with his Roman master especially in the battle against Oriental decadence and barbarism.[clxxiv]

Therefore, under the influence of "Cabiria" and the criticism emerging from "The Birth of a Nation", Griffith took a smaller feature film on the struggle between capital and labor (*The Mother and The Law*) and the theme of social injustice and merged them with three new stories to create his dramatic epic, "Intolerance". He moralizes topics like religious hatred, hypocrisy, discrimination and persecution with a technique that cross-cuts back and forth

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among four stories (Modern, Judaean, French and Babylonian) - tinted with different colors and taking place in different spaces and times.

The first episode (amber tint) takes place in the early 20th century, California. Embedded in a time of labor unrest, strikes and social change, it concentrates on the relations between employers/reformers and a young Irish Catholic worker, who is mistakenly imprisoned for murder and sentenced to be hung. The exploited worker is rescued from execution by his wife's arrival in the last minute with a release from penalty, given by the governor.

The second episode (blue tint and shortest of the four stories) looks at the Nazarene's Judaea. To be more specific, it encompasses the last days of Christ's life (his struggle with the Pharisees, his betrayal and his subsequent crucifixion) and finishes with a bright light streaming from the top of the hill, where the crucifixion has taken place.

The third episode (A.D. 1572, Paris, sepia tint) reflects on the "intolerant" measures of Catholic Catherine de Medici and councilors, who try to persuade King Charles IX of France (son of Catherine) to eliminate the growing Protestant movement in the country: "After a long session, the Intolerants sway the King's opinion." – "We must destroy or be destroyed". In this political environment, the story describes the religious cleansing - St. Bartholomew's Day Massacre - which the King declares, shouting, "By God's death, since you wish it, kill them all! Kill them all! Let not one escape to upbraid me." At the same time, it gives details about the effects of this violent act on a Huguenot family - the young Brown Eyes who is to be married to Prosper Latour.

The fourth episode (gray-green tint) starts with a descriptive title card: "Outside of Imgur Bel, the great gate of Babylon in the time of Belshazzar, 539 B.C. Merchants, farmers, East Indians, with trains of elephants, Egyptians, Numidians, and ambitious Persians spying upon the city." Dominating most of the film together with the Modern Story, the Babylonian Story has what was at the time the largest set ever created for a Hollywood film and one of the

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greatest crowd shots in cinematic history, with 16,000 extras.[clxxv] It visualizes peace-loving Prince Belshazzar's Babylon through the eyes of the Mountain Girl, who worships the King (advocate of "tolerance" and religious freedom) since he freed her from a marriage of slave trade. The Mountain Girl hopelessly tries to prevent the destruction of her city, resulting from the betrayal of The Highest Priest of Bel, by King Cyrus the Persian.

In a way, Griffith seems to introduce love and charity in comparison to the coming intolerance and hate throughout the history. To clarify this morality, these four stories are linked to each other with a symbolic device. Actress Lilian Gish, as Eternal Motherhood, rocks a large wooden cradle covered with roses and she is accompanied by the title of Walt Whitman's poem in the *Leaves of Grass*, "Out of the Cradle Endlessly Rocking" (2008). Such an image tries to emphasize the cycle of death and life with the title card "Today as yesterday, endlessly rocking, ever bringing the same human passions, the same joys and sorrow."

Without doubt, this non-linear composition of "Intolerance" was achieved through Griffith's remarkable techniques:

> By an overlapping of movement from one shot onto the next, a double edge is given to the images and strong tension is created. Each shot, moreover, is cut to the minimum; it gives only the essential point. Facts build upon one another in the audience's mind until, in the very last shot, all the facts are resolved and summarized through the introduction of another type of shot, longer than any of its predecessors and significantly different in character…As in its cutting, so in its details *Intolerance* had impressive originality. Huge close-ups of faces, hands, objects, are used imaginatively and eloquently to comment upon, interpret, and deepen the import of the scene, so that dependence upon pantomime is minimized…Camera angles are used to intensify the psychological impact…The singling out of significant action on one part of the screen by lights, irises, or masks –examples of which appeared in almost every sequence- indicated Griffith's sensitive regard for the apt image. With admirable ease, he cuts daringly into the square shape of the screen and blocks out whole sections, sometimes leaving them blocked out for the duration of the scene, sometimes opening the frame to its size. But whether he uses it closed in opened out, he rarely uses the same shape twice in succession, but contrasts them so that the eye of the spectator is kept moving…The screen is cut across diagonally, sometimes from upper left to lower right, sometimes from upper right to lower left. Details are thus brought to our attention and yet kept part of the larger scene itself in a more precise way than the use of close-up

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> insertions could afford…If the "framing" of the screen is remarkable, no less so is the fluid and active participation of the camera…More spectacular than any of these devices, however, was the remarkable "trucking" camera shot which traveled, without a pause or a cut, hundreds of feet from an extreme distant view of the entire grandeur of ancient Babylon to a huge close-up of the scene itself. (Jacobs 1975, 327-3)

These techniques, as Deleuze argues, give Griffith the distinction, not of being the inventor of montage, but of bringing it to a certain dimension that four main trends can be defined: the organic trend of the American school; the dialectic trend of the Soviet school; the quantitative trend of the pre-war French school; and the intensive trend of the German Expressionist school (2004, 30). In this respect, "Intolerance" achieves an organic unity by means of rhythm.

> Whenever time has been considered in relation to movement, whenever it has been defined as the measure of movement, two aspects of time have been discovered, which are chronosigns: on the one hand, time as whole, as great or spiral, which draws together the set of movement in the universe; on the other, time as interval, which indicates the smallest unit of movement or action. Time as whole, the set of movement in the universe, is the bird which hovers, continually increasing its circle. But the numerical unit of movement is the beating of a wing, the continually diminishing interval between two movements or two actions. Time as interval is the accelerated variable present, and time as whole is the spiral open at both ends, the immensity of past and future. Infinitely dilated, the present would become the whole itself: infinitely contracted, the whole would happen in the interval. What originates from montage, or from the composition of movement-images is the Idea, that indirect image of time: the whole which winds up and unwinds the set of the parts in the famous wellspring of *Intolerance*, and the interval between actions which gets smaller and smaller in the accelerated montage of the races. (Ibid., 32)

As a result of this technical inventiveness, Griffith's four stories, which seem in the beginning to run gradually and away from each other, start to run nearer and faster together as they develop. And then, at the short epilogue, they mingle in one mighty ethic code: good versus evil and eventual victory of love over hate. Or, as Lewis Jacobs appropriately summarizes, they

> … culminate in a plea for tolerance: symbolic double exposures of angles, prison walls dissolving into open fields, children playing and kissing each other, and as a finale, after a vast multiple exposure, a close shot of the recurrent symbolic image, the Mother rocking the Cradle of Humanity. (1975, 326)

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It is at this particular spot that de Rooij's "Intolerance" is related to Griffith's "Intolerance". First, by using montage as a technical device in his exhibition, de Rooij makes an effort to link the group of 17th century Dutch bird-paintings by Melchior D'Hondecoeter and 18th-19th century feathered objects from Hawai'i. This montage seems to portray itself in a specific order without information signs and plaques: a mixture of half darkened exhibition space, white temporary division walls and reference to a film. Second, although it is not intended to convey a moral reading, de Rooij's set of objects are connected to each other with "Intolerance", similar to Griffith's moral reading of history. The exhibition, cross-cutting paintings and feathered objects, narrates variations of "Intolerance" a century later with the following themes: violence and exploitation; rationality of "Europe" to the former colonial territories; snatching and robbery; and a relation built upon not understanding each other through de-contextualization and exoticism (Völckers 2010, 5). Hence, a plea for "tolerance" is reformulated and left open to the interpretation of spectators in Berlin, Germany and "Europe"; following its forerunner in the US.

It is also at this particular spot that de Rooij's "Intolerance" as a moral and technical device is related to the methods, which have been implemented to develop a milieu in Berlin and Germany, i.e. *Gegen Rassismus, Gegen Xenophobie, Gegen Intoleranz,* and hence to the beginning of this monograph. From a methodological point of view, where one questions the conditions of possibility, it is not self-evident that de Rooij's "Intolerance" makes its place in Berlin. This is the "place to be" (*Sei Berlin* campaign), which has been intensely promoting the conduct of relations with certain populations depending on the norms of "toleration". Additionally, de Rooij's narration on the development of "tolerance" in the Dutch society - especially in relation to its "immigrant" groups - at a period of colonization seems to convey a similar message to the 21st century Berlin: "be tolerant". Considering this framework, now it is time to go back once again and outline a number of conclusions, since I have attempted

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in this monograph to rethink definitions, sets of truth, practices, stories and histories of "ethnic entrepreneurship" in Berlin.

In this study I tried neither to bring something new to the concept of "ethnic entrepreneurship" nor to find out the most suitable explanation for it among the existing alternatives and debates. I did not look for a way of verifying utterances of "ethnic entrepreneurs", experts, policy makers or scholars. Instead, my aim was to understand the features that guide this way of doing business to be regarded and discussed as a part of entrepreneurship by policy makers, experts, institutions, scholars and "ethnic entrepreneurs" themselves.

Therefore, I have reflected on these features through histories, which cross-cut Berlin, Germany and broader world happenings, and at the same time through life stories, which bring up details from localities keeping in mind their references to larger contexts. In this sense, I attempted to indicate that these features are neither formed entirely by the ideas, plans and programs of policy makers, experts, institutions and scholars (a top-down approach), nor shaped entirely by the autonomy of "ethnic entrepreneurs" (a bottom-up approach). Instead, these features, as we have seen, come into the scene with the interplay, conscious or unconscious, of the two sides.

By pursuing these goals, the study has covered macro and micro narratives, on "ethnic entrepreneurship", of success, potential, achievement and hope, as well as failure, impotence, mistrust and fear. In a word, it has become an investigation of the self-evident and its point of departure has been developed through the practices of "immigrants" from Turkey, who live in Berlin. Since this investigation of the self-evident neither looks for the "most unitary," "necessary," "inevitable," or "extra-historical" structure/mechanism, nor attempts to fetishize chance over principles (or unconsciousness over consciousness), what do these histories

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(chapters 2, 3 and 4) and life stories (chapters 5, 6 and 7) convey about "ethnic entrepreneurship" in Berlin? Here, let me follow the order of chapters.

First, as a category that is regarded and discussed as a part of entrepreneurship since the "crises of Fordism," "ethnic entrepreneurship" in Berlin is one of the products of the "German economic system" (chapter 2). Yet, it is not the product of a linear, natural or inevitable historical understanding. Rather, it is a formulation that has emerged as a result of competitions, conflicts, compromises and unresolved tensions among enterprises (small, medium and large scale), organization of state bureaucracy, local governments, banks, business associations, trade unions, cartels, pre-industrial craft systems, property owners, technological developments and relations of labor.

This huge set of relations has not only created heterogeneous orders in different regions (i.e. decentralized and autarkic form of industrial orders as Herrigel argues), but also shaped the codes and functioning of the "German political economy." Within these complex relationships (competitions, conflicts, compromises, unresolved tensions and crises), "ethnic entrepreneurship" has been emerging and developing in Germany since the late 1980s under the values given to "immigrants," particularly those from Turkey. This period starting with the 1980s can be historicized with the transition from Fordism to "post-Fordism" (as a result of the "crises of Fordism" in the 1970s) and hence a restructuring in Germany. It is a restructuring not in terms of a clear-cut shift, but in terms of a continuing adaptation to the "crises of Fordism" and "post-Fordist" relations.

It is particularly relevant for "immigrants" from Turkey, because they have been the target of discussions, reports, statistics and policies considering the risks, costs and dangers they are associated with, i.e. unskilled labor force, high unemployment rates, low language skills, poor education and vocational qualifications, increasing crime rates, growth of dependents on social benefits and reluctance to "integrate". The "ethnic entrepreneur" is a

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reflection of a competitive, active, ambitious, participating, calculating, productive, self-regulated, self-responsible and cooperative "immigrant" in a world of declining profitability of mass-production industries. These values - given by policy makers, experts, scholars, institutions and "ethnic entrepreneurs" themselves – can be seen, especially in relation to the "immigrants" from Turkey, as techniques of "integration", "autonomization", "empowerment", "joining in" and "mobilization" of abilities and resources, even the most marginal, unsuccessful and informal ones. Hence, "ethnic entrepreneurship" is related to the existence of a mode of reasoning that derives from the self-responsibility of a population, which it is conducted on (through the principles including autonomy, freedom and consent).

Second, this broad framework gains a detailed ground as the features of Berlin are examined in relation to a historical account of "immigrants" from Turkey (chapter 3). Although Berlin went and is still going through different waves of "immigration," those waves from Turkey marked Berlin's urban fabric by cross-cutting three crucial symbolic events: the construction of the Berlin Wall (August 1961), the ban on recruiting foreign labor (November 1973) and the fall of the Berlin Wall (November 1989). Keeping in mind the relations of Berlin within the diffused urban structure of Germany, these three ruptures and continuities (even if they also had impacts on other cities and regions) provide a particular spatiality in explaining the practices of "immigrants" from Turkey.

Under the "exceptional" conditions of West Berlin (a set of circumstances resulting from the risk of living on an island surrounded by the GDR and so-called socialist threat, its stance as an "island of freedom" within the Warsaw Pact, the destruction of its economic momentum by World War II, the distortion of its economic structure and infrastructure system, its lack of hinterland, the delay of restructuring due to various subsidy programs and the loss of its role as the capital of Germany), the "exceptional" recruitment and presence of "immigrants" from Turkey (a set of circumstances due to *inclusive exclusion* of the German

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sovereign power and plans of the political rationality in Turkey to control the increasing birth, unemployment and rapid urbanization rates, achieve a skilled and educated labor force, and benefit from remittances) did not last long. Throughout the 1970s and 1980s, their former image, as the symbol for minimizing social and political costs and maximizing economic profits, turned into a social question, concern, fear and risk that needed to be dealt with and cared for in terms of "integration," education, employment, housing, health, crime, violence and retirement. Although "immigrants" from Turkey continue to be considered as a part of the social problem, fear and risk throughout the 1990s and the first decade of 21st century, transformations deriving from German reunification, restructuring and "crises of Fordism," have paved the way for a new image of "immigrants" from Turkey, i.e. "ethnic entrepreneurs". In this framework, as reunified Berlin started to reconstruct her spatiality, a section of "immigrants" from Turkey contributed to this transformation through their entrepreneurial practices. Hence, they have become a *Vorbild* of "integration", restructuring, adaptability and have been "tolerated" unlike the "problematic" part of this population.

Third, "real world formulations or thoughts" (which may have come into effect through policies) of experts, scholars and intellectuals have cross-cut the ruptures and continuities in Germany (chapter 2) and Berlin (chapter 3) and hence connected them to regional and global events. Functioning as knowledge-power apparatuses, these formulations (described, classified, identified, discussed and redefined in the US since the early 1970s and in "Europe" since the late 1980s) have constituted the ground for true and false utterances on "ethnic entrepreneurship" (chapter 4). Additionally, these intellectual accounts have shaped and been shaped by certain political rationalities.

Relying on "political economy" as an intellectual instrument (a form of calculation and rationality), the study of entrepreneurship gained an impetus since the mid-18th century in "Europe". It began to represent individual practices according to the criteria of the market (as

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a sphere of truth), principle of utility (as de facto jurisdiction) and enrichment of the collective. Although one cannot claim a homogenous and constant visualization of entrepreneurship in "Europe", formulations in Germany's intellectual history largely appeared in the late 19th and early 20th centuries in the works of Simmel, Sombart and Weber and at the same time formed the legitimate ground for the body of knowledge on "ethnic entrepreneurship" (approaches of middleman minorities, disadvantage, ethnic enclave economy, interaction and mixed-embeddedness). They all (as social economists from the German school of historicism) examined the relations between economy and society (like political economists), and considered the implications of governing too much or too little. They also experienced the development of the neoclassical economic theory and tried to underline the limits of the neoclassical school's empirical validity relying on complex structure and conditions of "modern capitalism." Finally, their contributions to the rationality of capitalist society were to be the starting points for the theoretical foundations of German post-war liberalism, i.e. Ordo-liberalism.

Consequently, it is the social market economy understanding of Ordo-liberals that enables the political rationality in Germany since the late 1980s to imagine "ethnic entrepreneurs" in reference to a body of knowledge developed by scholars/experts. Intellectual attempts by scholars/experts from the mid-1970s onwards (with the legacies of Simmel, Sombart and Weber) have never opposed social policies that pursue the logic of competition and the enterprise society. In the context of Germany, the "ethnic entrepreneur" has become an economic agent who has the individual freedom to act within the logic of competition and is socially embedded in various laws, institutions and "social networks". And this is based on a way of thinking that associates a space with a pre-given identity (where this relation, or just its existence, is considered natural) and hence functions as a mechanism of othering.

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Fourth, one can grasp practices of power and struggles within "ethnic entrepreneurship" through the details of individual stories. They are crucial not only in questioning the self-evident or top-down analysis of "ethnic entrepreneurship" but also in highlighting the interplay between histories and stories, and hence conditions of possibility within each story. Nevin's "self-help" story within the framework of *ISI e.V* (*Initiative Selbständiger Immigrantinnen e.V.,* Initiative of Self-Employed Immigrant Women) is one of these examples (chapter 5).

As a non-profit association, *ISI e.V.* is a reflection on the mode of reasoning that gained an impetus in Germany after the "crises of Fordism", during the transition from Fordism to "post-Fordism" and under the impacts of restructuring since the 1980s. Through its objectives, funding tools, conditions of establishment and programs, *ISI e.V.* not only represents the values attributed to an enterprising individual, but also underlines the understanding of "ethnic entrepreneurship" as a method of "integrating immigrants", mobilizing various resources and providing solutions to the "problems" of "immigrants" (e.g. unemployment, crime, dependence on social assistance, and low language, education and training performances). Having financial support from the European Union and Senate of Berlin, *ISI e.V.* indicates the importance of attempts given to the "integration" of "immigrants" by the political rationality, whose interests intersect the local, national and global levels. This "self-help" mechanism also stands for one of the tools of "immigrants" from Turkey to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of German reunification. It is a "social engagement" in mobilizing the "potential" of "immigrants" by promoting their entrepreneurial activities.

Going beyond this institutional framework, the insights of Nevin and two experts (female figures) from *ISI e.V.* reveal how the ways of imagining and experiencing "ethnic

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entrepreneurship" can vary and how this uncertainty can constitute the category itself. Being familiar with this body of knowledge, the experts bring in their own interpretations of "ethnic entrepreneurship" deriving from their experiences and social backgrounds. As arbitrators, teachers, therapists, directors, private counselors and friends, the experts guide the participants in reference to their "potential", i.e. "immigration background." These "potentials" are formulated as values that can be used as "self-help" mechanisms to change their "disadvantaged" or "dependant" positions. Additionally, this body of knowledge reaches another form of interpretation through the reflections of participants. This cannot be seen as a simple internalization process. Rather, this is the point that we reach an understanding of how formulations on "ethnic entrepreneurship" can be rejected, nullified and redefined through one's daily life practices, memories and relations. In this sense, the reflections of Nevin (female figure) about her past, relations with her family, friends and employees, projects and the company serve as the means of conducting "ethnic entrepreneurship" on herself. Consequently, the insights of Nevin and two experts highlight the ways of "taking care of", "integrating", "empowering" oneself and "immigrants" from Turkey.

Fifth, functioning of "ethnic entrepreneurship" as a method of "taking care of immigrants" from Turkey or "helping others" is the focal point of Rojda's story (chapter 6). This provides a complementary perspective to the "self-help" method of *ISI e.V.* and Nevin (chapter 5). Through this complementary perspective, Rojda's story underlines that these two mechanisms ("self-help" and "helping others") run in parallel to each other and a clear-cut separation between them is not possible.

Keeping in mind that there is not a coherent set of techniques in practicing "ethnic entrepreneurship", Rojda's story brings in the institutional setting of *Quartiersmanagement* (Neighborhood Management). Being one of the tools of *Stadtteile mit besonderem*

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Entwicklungsbedarf - die soziale Stadt (Districts With Special Development Needs - The Socially Integrative City), it was created by the initiation of federal and *Länder* (states) governments. Its funding is composed of the contributions of the Senate of Berlin, European Funds for Regional Development (EFRE) of the European Union and the federal government. Additionally, it is related to the framework of a larger program, i.e. *Moderner Staat - Moderne Verwaltung* (Modern State – Modern Administration). Because of this institutional setting, *Quartiersmanagement* can be seen as an outcome of the idea of an "enabling state" in Germany, which puts emphasis on the principles including society's potential for self-regulation, transparency of public administration and boost participation by the people, transition from a society based on industrial production to a knowledge-based service society, performance-oriented and cost-efficient procedures, competing approaches and orientation towards "best-practice solutions", and responsible use of resources. This institutional setting represents the political rationality in Germany as a result of the "crises of Fordism", restructuring since the 1980s and reconstruction of Berlin's identities since 1989.

Locating itself within this institutional setting, Rojda's story also emphasizes a micro spatial perspective, which can be carried out in the office, at the daycare center, in the houses of patients and employees, in the schools and on the streets. By "taking care of immigrants" or "helping others to help themselves" (as the motto suggests), Rojda (female figure) illustrates that an "ethnic entrepreneur" can contribute to the rational calculation of "immigrants" (in terms of their potential, capabilities, costs and threats) and keep an eye on them for their salvation (e.g. "integration", ensuring well-being, preserving values and memories, encouraging the mobilization of their resources for themselves). Through these engagements, the "ethnic entrepreneur" constitutes him/herself with the "responsibility" to a particular "immigrant" group in the *Districts With Special Development Needs*.

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Sixth, stories of Hasan, Cemal and Emre (three male figures) bring together the mechanisms of "self-help" (as exemplified by Nevin and *ISI e.V.*) and "helping others" (as exemplified by Rojda and *Quartiersmanagement*) in the constitution of "ethnic entrepreneurship". These stories put emphasis on an understanding that considers the "networks" (or the acts of "networking") as institutional settings. In this sense, being shaped by the "ethnic entrepreneurs" themselves, the "networks" of Hasan, Cemal and Emre present a complementary perspective to the institutional settings that are formed by the experts (*ISI e.V.*, trying to benefit from the funds and policies of the European Union and Senate of Berlin) and the policy makers (*Quartiersmanagement*, trying to mobilize the local experts through the funds of Senate of Berlin, European Union and the Federal Republic).

The stories of Hasan, Cemal and Emre and the ways they get involved with different "networks" also point out the state of mind in the literature on "ethnic entrepreneurship". The approaches in the literature on "ethnic entrepreneurship" formulate the concept of "network" or "networking" in relation to the realm of social policy. In this state of mind, the functions of "networks" are similar to that of laws, regulations and institutions, which aim to keep the laws of market and competition untouched, to maintain the principle of *Rule of law* in the economic order and to avoid the anti-liberal policies. These formulations run parallel to the neo-liberal understanding that capitalism does not contradict within itself as an economic thought and that competitive market society is possible. In this manner, the "networks" are conceptualized as social entities that help regulate the relation between society and economy. They provide the ground for the logic of competition and enterprise society. They also stand for the social responsibilities of "ethnic entrepreneurs" to their "immigrant" groups. Therefore, the "networks" are considered (in the literature on "ethnic entrepreneurship") as mechanisms for "integrating immigrants" to the social and economic order of the "host" country, "offering immigrants" the opportunity to survive under the competitive market

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conditions, solving the "problems of immigrants" (e.g. high rates of unemployment, dependence on social assistance and violence, as well as the low levels of education) and "allowing immigrants" to preserve their pre-given identities in the "tolerant" environment of liberal democracies.

In this context, the stories of Hasan, Cemal and Emre reflect on the modes of behavior, ways of living and forms of imagination that can shape "ethnic entrepreneurship" in reference to their "networks". Functioning as institutions, these different "networks" become the means of "immigrants" from Turkey to find a place for themselves in the reconstruction of Berlin's identities, besides confronting the challenges of economic restructuring and political and social impacts of reunification. Although they do not always work in the expected way and they can have drawbacks for their members at different conditions, the "networks" are considered to be one of the ways of conducting the lives of themselves and their "immigrant" groups. Implying the "similarity" of its members' situations and a feeling of "common identity" (i.e. having an "immigration" background), these "networks" turn into the formulations of culture (i.e. pre-given understanding of culture and "welcoming" understanding of diverse cultural coexistence), which operate as instruments of "othering".

Lastly, allow me to return to the point where we began: the relation between "tolerant," "tolerated" and "not tolerated." In her critical book *Regulating Aversion, Tolerance in the Age of Identity and Empire*, Wendy Brown questions the liberal notion of "tolerance" on different levels: "tolerance as a discourse of depoliticization," "tolerance as a discourse of power," "tolerance as supplement," "tolerance as governmentality," "tolerance as museum object," "subjects of tolerance," and "tolerance as/in civilizational discourse." Brown writes,

> The very invocation of tolerance in each domain indicates that something contaminating or dangerous is at hand, or something foreign is at issue, and the limits of tolerance are determined by how much of this toxicity can be accommodated without destroying the object, value, claim, or body. Tolerance appears, then, as a mode of incorporating and regulating the presence of the threatening Other within. In this regard, tolerance occupies the position of Derridean

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> supplement; that which conceptually undermines the binary of identity/difference or inside/outside yet is crucial to the conceit of the integrity, autarky, self-sufficiency, and continuity of the dominant term.
> If tolerance poses as a middle road between rejection on the one side and assimilation on the other, this road, as already suggested, is paved by necessity rather than virtue; tolerance, as Nietzsche would say, becomes a virtue only retroactively and retrospectively. As a practice concerned with managing a dangerous, foreign, toxic, or threatening difference from an entity that also demands to be incorporated, tolerance may be understood as a unique way of sustaining the threatened entity. (Brown 2006, 27)

Even though Brown reflects on the Western liberal democracies through a detailed analysis of the term, broadly speaking, she engages in representing the "culturalization of politics," which has a depoliticizing effect. That is to say, under the context of liberal governance, "difference" is pushed to the private sphere through the mobilization of "tolerance" discourse. At this point, "difference" has become essentialized as identity and public politics as a domain of debate and compromise have rejected this essentialized portion. In her own formulation, "culturalization of politics"

> … reduces non-liberal political life (including radical identity claims within liberal regimes) to something called culture at the same time that it divests liberal democratic institutions of any association with culture. Within this logic, tolerance is invoked as a liberal democratic principle but for what is named the cultural domain, a domain that comprises all essentialized identities, from sexuality to ethnicity, that produce the problem of difference within contemporary liberalism. Thus, tolerance is invoked as a tool for managing what are construed as (non-liberal because "different" and nonpolitical because "essential") culturalized identity claims or identity clashes. As such, tolerance reiterates the depoliticization of those claims and clashes, at the same time depicting itself as a norm-free tool of liberal governance, a mere means for securing freedom of conscience or (perhaps more apt today) freedom of identity. (Ibid., 24-5)

One of the interesting examples that Brown problematizes this acultural nature of liberalism is the Siman Wiesenthal Center, the Los Angeles Museum of Tolerance. The Museum of Tolerance (MOT), as Brown displays, does not only devote itself to remembering the Holocaust and fighting against anti-Semitism, but also to becoming the active defender of Israel and more recently the supporter of United States' invasions of Iraq and Afghanistan against terrorism as an agent of democracy in the Middle East (Ibid., 107-48). By studying

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the MOT, she asks, among others, "How are Palestinians made to appear as enemies of tolerance while Jews are only ever victims of intolerance? …And how are Jews figured as sages of tolerance, teachers of tolerance, and paragons of tolerance?" These questions make Brown's example interesting not only in terms of its possible relations to Willem de Rooij's "Intolerance" at the *Neue Nationalgalerie,* but also in terms of the objective of this study in highlighting the practices of power and struggle that are concealed and revealed through "ethnic entrepreneurship." Yet before rushing for direct concluding remarks aspiring from Brown's analyses, it is also important to follow the critique of Slavoj Žižek in *Tolerance as an Ideological Category*.

In rethinking the relations of "tolerance", Žižek acknowledges Brown's point of view that reflects on "the very procedure by means of which liberal multiculturalist discourse presents itself as universal, neutral with regard to all particular roots" and "how our freedom of choice often functions as a mere formal gesture of consenting to one's oppression and exploitation" (2008, 667). Yet Brown's "rejection of liberalism's claim of *kulturlos* universality" (Ibid., 672) is not enough and it is at this point, in which Brown pushes for "the recognition of liberalism as cultural," (Brown 2006, 24) that Žižek builds up his critique.

> … it is suspicious how obsessively, almost desperately, she tries to characterize liberal multiculturalist tolerance as essentialist, as relying on an essentialist notion that our socio-symbolic identity is determined by our stable natural-cultural essence. But, whatever one can accuse liberal multiculturalism of, one should at least admit that it is profoundly antiessentialist. It is its barbarian other that is perceived as essentialist and thereby false, like fundamentalism, which naturalizes or essentializes historically conditioned contingent traits. One can thus claim that Brown remains within the horizon of tolerant liberalism, raising it to a self-reflexive level; what she wants is a liberalism (multiculturalism) that would expose to critique also its own norms and procedures, becoming aware of its own intolerant eurocentric bias. (2008, 666)

He then clarifies this point by reflecting on capitalism:

> More generally, an individual capitalist thinks he is active for his own profit, ignoring how he is serving the expanded reproduction of universal capital. It is not only that every universality is haunted by a particular content that taints it; it is that every particular position is haunted by its implicit universality, which undermines it.

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> Capitalism is not just universal in-itself, it is universal for-itself, as the tremendous actual corrosive power that undermines all particular lifeworlds, cultures, traditions, cutting across them, catching them in its vortex. It is meaningless to ask the question, Is this universality true or a mask of particular interests? This universality is directly actual as universality, as a negative force mediating and destroying all particular content… This is why, as I have written, Badiou recently claimed that our time is devoid of world:
> the universality of capitalism resides in the fact that capitalism is not a name for a civilization, for a specific cultural-symbolic world, but the name for a truly neutral economico-symbolic machine which operates with Asian values as well as with others, so that Europe's world-wide triumph is its defeat, self-obliteration. The critics of 'Eurocentrism' who endeavor to unearth the secret European bias of capitalism fall short here: the problem with capitalism is not its secret Eurocentric bias, but the fact that it *really is universal*, a neutral matrix of social relations. (Ibid., 672-3) (Italics in the original)

Keeping in mind the reflections of Brown and Žižek on "tolerance" and the history of restructuring capitalism, I must stress that the "ethnic entrepreneur" appears to emerge as one of the "tolerated" Others in Berlin, Germany and "Europe." This category is used in reference to the people with "immigration background" (especially those from Turkey in this study) by themselves, their "non-tolerated" parts and their "tolerant" counterparts. This "tolerated" enterprising Other can work not only with essentialized conceptualizations of culture but also with "welcoming" understandings of cultural difference, like "multicultural," "transnational" and "cosmopolitan" formulations. It seems to represent the interests of both the particular and the universal. At the intersection of this particularity and universality, the "ethnic entrepreneur" seems to take care of the "self" and "Others." To be sure, such a positioning of the "ethnic entrepreneur" is not a simple reproduction of the period when "immigrants" from Turkey "welcomed" in the "host" land – Deutschland - 50 years ago. Yet, consequences of the practices of power and struggles concealed and revealed in the "ethnic entrepreneur" remain to be seen.

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Endnotes:

[clxviii] The New National Gallery is one of the platforms that make up the National Gallery. The other platforms are the *Alte Nationalgalerie* (Old National Gallery) on the Museum Island Berlin, the *Museum Berggruen* and the *Sammlung Scharf-Gerstenberg* in Charlottenburg, the *Hamburger Bahnhof – Museum für Gegenwart –* Berlin in Tiergarten and the *Friedrichswerder Church* at Schlossplatz. Designed by Ludwig Mies van der Rohe,

it was opened in 1968 as the first museum at the Kulturforum. See Gabriela Wachter, *Mies van der Rohes Neue Nationalgalerie in Berlin*, (Berlin: Vice Versa Verlag, 1995); Peter-Klaus Schuster, *Die Nationalgalerie*, (Köln: DuMont, 2001); Roland Maerz and Angela Schneider, *Neue Nationalgalerie Berlin*, (München: Prestel, 1997)

[clxix] The exhibition "Intolerance" was between September 18, 2010 and January 2, 2011. Its official webpage is www.intolerance-berlin.de - last visited: 27.05.2011. The book of the exhibition is published as a 3 volume catalogue: Willem de Rooij and Benjamin Meyer-Krahmer (eds.) *Intolerance: Intolerance Vol.1, Melchior d'Hondecoeter (1636-1695) Vol.2, Hawaiian Featherwork Vol.3*, (Düsseldorf: Feymedia, 2010).

[clxx] Especially see, William M. Drew, *D.W. Griffith's Intolerance: Its Genesis and Its Vision*, (Jefferson, NJ: McFarland & Company, 1986); Robert M. Henderson, *D. W. Griffith: His Life and Work* (New York: Oxford University Press, 1972); Karl Brown, *Adventures with D. W. Griffith* (New York: Farrar, Straus and Giroux, 1973); Richard Schickel, *D. W. Griffith: An American Life* (New York: Simon and Schuster, 1984); Miriam Hansen, "D.W. Griffith's Intolerance" in *Classical Hollywood Narrative: The Paradigm Wars*, Jane Gaines (ed.), (Durham: Duke University Press, 1992); Miriam Hansen, "The Hieroglyph and the Whore: D. W. Griffith's Intolerance" *South Atlantic Quarterly*, vol. 88 no. 2. (1989) 361-392; Theodore Huff, *Intolerance; The Film by David Wark Griffith, Shot-by-shot Analysis*, (New York: Museum of Modern Art, 1997); Jordan Leondopoulos, *Still the Moving World: Intolerance, Modernism, and Heart of Darkness*, (New York: P.Lang, 1991); Jordan Leondopoulos "Parallel storytelling: Intolerance," in *Becoming film literate : the art and craft of motion pictures* (Westport, Conn.: Praeger, 2005); Russell Merritt, "D.W. Griffith's Intolerance: Reconstructing an Unattainable Text," *Film History*, IV/4, (1990): 337-375; Michael Rogin, "The Great Mother Domesticated: Sexual Difference and Sexual Indifference in D.W. Griffith's Intolerance," in *Discovering Difference: Contemporary Essays in American Culture*, edited by Christoph K. Lohmann, (Bloomington: Indiana University Press, 1993), 148-188.

[clxxi] For some critical analysis see, Robert Lang (ed.) *The Birth of a Nation: D. W. Griffith, Director*, (New Brunswick, N.J.: Rutgers University Press, 1994); Donald Bogle, "Black Beginnings: From Uncle Tom's Cabin to The Birth of a Nation," in *Representing Blackness: Issues in Film and Video*, (New Brunswick, N.J.: Rutgers University Press, 1997); Gerald R. Butters, "African-American Cinema and The Birth of a Nation," in *Black Manhood on the Silent Screen*, (Lawrence: University Press of Kansas, 2002); David Mark Chalmers, "Birth of a Nation," in *Hooded Americanism: The History of the Ku Klux Klan*, (New York: F. Watts, 1981); Carter Everett, Cultural History Written with Lightning: The Significance of 'The Birth of a Nation'" in *Hollywood as Historian: American Film in a Cultural Context*, Peter C. Rollins (ed.), (Lexington: University Press of Kentucky, 1983); Thomas Cripps, *Slow Fade to Black: The Negro in American Film, 1900-1942*, (New York: Oxford University Press, 1993); Richard Dyer, "Into the Light: The Whiteness of the South in the Birth of a Nation," in *Dixie Debates: Perspectives on Southern Culture*, Richard H.King and Helen Taylor (eds.), (New York: New York University Press, 1996); Marilyn Fabe, "The Beginnings of Film Narrative: D. W. Griffith's The Birth of a Nation," in *Closely Watched Films: An Introduction to the Art of Narrative Film Technique*, (Berkeley: University of California Press, 2004); Jane Gaines, "Birthing Nations," in *Cinema and Nation*, Mette Hjort and Scott MacKenzie (eds.), (New York: Routledge, 2000); Melvyn Stokes, *D. W. Griffith's The Birth of a Nation: a history of "the most controversial motion picture of all time"* (Oxford: Oxford University Press, 2007), Anthony Slide, *American Racist: The Life and Films of Thomas Dixon*, (Lexington: University Press of Kentucky, 2004).

[clxxii] For the influences of the Italian silent movie see, Mary P. Wood, *Italian Cinema*, (New York: Berg, 2005); Marcia Landy, *Italian Film*, (Cambridge: Cambridge University Press, 2000); Peter E. Bondanella, *Italian Cinema: From Neorealism to the Present*, (New York: Continuum International, 2007); Pierre Sorlin, *Italian National Cinema, 1896-1996*, (New York: Routledge, 1996).

[clxxiii] About the role of Gabriele d'Annunzio on Italian Fascist movement and Benito Mussolini see, Barbara Spackman, *Fascist Virilities: Rhetoric, Ideology and Social Fantasy in Italy*, (Minneapolis: University of Minnesota Press, 1996); John Woodhouse, *Gabriele D'Annunzio: Defiant Archangel*, (New York: Oxford University Press, 2001); Michael Arthur Ledeen, *D'Annunzio: The First Duce*, (New Jersey: Johns Hopkins Press, 2009); Alfredo Bonadeo, *D'Annunzio and the Great War*, (New Jersey: Associated University Presses, 1995); Frances Winwar, *Wingless Victory: A Biography of Gabriele D'Annunzio and Eleonora Duse*, (New Jersey: Howard Press, 2008).

[clxxiv] For possible messages in this historical context see, Richard Dyer, *White*, (New York: Routledge, 1997a); Richard Dyer, "The White Man's Muscles," in *Race and the Subject of Masculinity*, Harry Stecopoulos and Michael Uebel (eds.), (Durham: Duke University Press, 1997b); Steven Ricci, *Cinema and Fascism: Italian Film and Society, 1922-1943*, (Berkeley: University of California Press, 2008); Jacqueline Reich and Piero Garofalo, *Re-viewing Fascism: Italian Cinema, 1922-1943*, (Bloomington, Indiana University Press, 2002); Pierre Sorlin, *Italian National Cinema, 1896-1996*, (New York: Routledge, 1996); Patrizia Palumbo, *A Place in the Sun, Africa in Italian Colonial Culture From Post-Unification To The Present*, (Berkeley: University of California Press, 2003).

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[clxxv] For some detailed information see, Theodore Huff, *Intolerance; The Film by David Wark Griffith, Shot-by-shot Analysis*, (New York: Museum of Modern Art, 1997); Miriam Hansen, *Babel and Babylon: Spectatorship in American Silent Film*, (Cambridge: Harvard University Press, 1991).

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