

# The cooperative system in Turkey and producer and marketing cooperatives run by women

Amesia Çalışan  
Arı Kadın Girişimi  
Üretim ve Pazarlama  
Kooperatifi

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## 1. The cooperative system in Turkey

The first cooperatives in Turkey were established towards the end of the Ottoman Empire. Just 15-20 years after the cooperative movement began in the countries that led the way – such as Great Britain, Germany and France – the first combines with a cooperative orientation were formed in the second half of the 19<sup>th</sup> century. These organisations, known at the time as ‘Memleket Sandıkları – Home Funds’, represent the beginnings of cooperatives in Turkey. The movement received new impetus after the founding of the Republic in 1923. Under the leadership of Atatürk, a wide variety of activities were initiated in all areas of the cooperative system during the period between 1920 and 1938. The law that created the Institute for the Cooperative System in Turkey went into force in 1931. In 1935, this legislation was succeeded by laws establishing agricultural credit cooperatives and agricultural sales cooperatives. These laws form the foundations of the cooperative system in Turkey. The Turkish legislature issued a research mandate to the Institute for the Cooperative System, while the two types of cooperatives mentioned above were commissioned to resolve the problems of credit financing and sale of agricultural products.

The cooperative movement stagnated during World War II and the post-war years. Once it had been anchored in the country’s constitution in 1961 and was issued state mandate that promoted it, the movement regained momentum after 1961.

Another milestone was the adoption of the Law on Cooperatives, Act No. 1163, in 1969. This law, which is very similar to the German Cooperatives Act, is still in force. Work has been ongoing for around 10 years to adapt this law to the new circumstances.

Finally, the ‘Turkish National Cooperative Strategy and Action Plan’ went into effect in 2012. This plan had been drawn up by all relevant Turkish parties and with the support of the German Cooperative and Raiffeisen Confederation (DGRV).

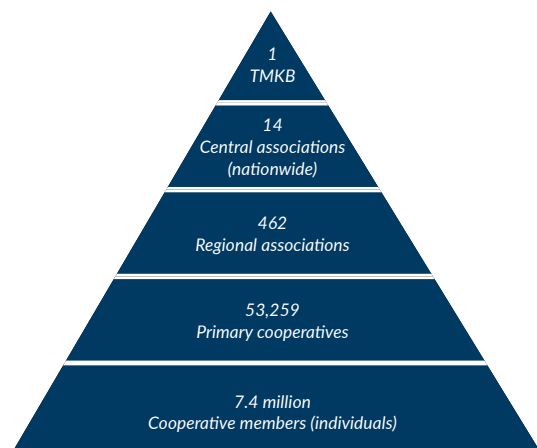
There have been three laws on cooperatives governing the cooperative sector since 2017. Three ministries are responsible for the implementation

of these laws. Turkey is one of the world’s leading countries in terms of numbers of cooperatives, but not in terms of the percentage of the citizenry belonging to a cooperative. In other words, cooperatives in Turkey are predominantly small in size.

The ‘Report on Cooperatives in Turkey 2016’ was published in May 2017 under the direction of the Directorate-General for Cooperatives at the Ministry of Customs and Trade. According to the report, there were 53,259 cooperatives in Turkey at the end of 2016 with a total of 7.4 million members. They were organized into 462 regional associations, which in turn were organized into 14 central associations. The umbrella organisation is the Türkiye Milli Kooperatifler Birliği (TMKB) – the National Cooperative Union of Turkey.

The Law on Cooperatives, Act No. 1163, governs not only primary cooperatives, but also their parent associations. It stipulates that the regional and central associations must also take the legal status of cooperatives.

**Fig. 1: Structure of the cooperative system of Turkey: cooperatives, associations and membership numbers in 2016**



Although Turkey is one of the leading countries in quantitative terms, the quality and entrepreneurial success of its cooperatives leaves a great deal to be desired. Alongside some cooperatives and associations that are economically strong and very successful, the vast majority are dependent upon state support. The number of cooperatives that

satisfy the principles of the cooperative system and are run accordingly is insignificantly small. Serious deficits remain in the area of self-governance. The main problem, however, is undoubtedly the lack of commitment to cooperatives on the part of their members, combined with an inadequate sense of belonging.

The government officials in charge are aware of the problem and are in search of solutions. One such solution is the Turkish 'National Cooperative Strategy and Action Plan', which went into effect in 2012.

## **2. Producer and processing cooperatives run by women**

Women are subject to economic and social disadvantage worldwide. Cooperatives can make an important contribution towards overcoming this situation, as equality is one of their guiding principles and values. Membership is granted to all without regard to religion, language, skin colour, gender, etc., nor is there any discrimination in terms of the authorities and rights of members: all members enjoy the same rights.

However, in spite of the fact that the principle of equality is enshrined in fundamental values, principles and legislation, women continue to be disadvantaged. This situation is particularly evident in the underdeveloped and emerging economies. Women are in a clear minority among cooperative members and are nearly nowhere to be found in positions of leadership.

Based on this fact, a type of cooperative has been introduced in Turkey that is known as 'Kadın Girişimi Üretim ve İşletme Kooperatifi', 'Producer and Processing Cooperatives for Women' ('Women's Cooperatives'). They are open to women only. In addition to this, there are cooperatives the statutes of which stipulate that women must form a majority of members and in positions of leadership.

At the end of 2016, there were 55 women's cooperatives with a total membership of 640. This corresponds to a still very low average number of 10-20 women in each such cooperative.

It would be naive, however, to assume that women who have been marginalised to date, and who have been constantly disadvantaged in social and economic terms, would suddenly seize the initiative, take charge and compete with men who have been dominant in society to date. To understand the problems with which entrepreneurial women find themselves confronted, they first need to be heard and shown empathy.

Against the backdrop, the women's cooperative S.S. Amesia Kadın Girişimi Üretim ve İşletme Kooperatifi will be presented. It recently gained nationwide recognition throughout Turkey. The presentation is a summary of conversations held with members of this cooperative.

## **3. An example of a successful women's cooperative in Turkey: the cooperative Amesia Çalışan Arı Kadın Üretim ve İşletme Kooperatifi**

Amesia is the name of a region in northern Turkey. It is where Amasya Province is situated, one of the country's 81 provinces. According to historians, the name 'Amesia' derives from Amasis, Queen of the Amazon.

Located in the heart the Black Sea region, Amasya Province is divided into 7 districts, including the central district. The most socially and economically developed district is Merzifon.

Merzifon forms a link between the western and eastern parts of the province. Merzifon has the strongest agricultural and industrial sectors of all of the districts in the province.

Another special feature of the district is its social structure. Turks, Greeks and Armenians lived together in the district in peace until the end of the 19<sup>th</sup> century. That is when the Armenians and Greeks were unfortunately forced to leave the area. Today, their numbers are greatly reduced. As in other multicultural areas, the population was characterised by a high level of tolerance, and life and commerce were characterised by diversity.

The Amasya Province Cattle Breeders' Association (DSYB Amasya), founded in 1998, is the only

such association based in a central district rather than in a provincial capital. The association quickly became active and developed into a successful agricultural organisation, with positive effects for the district and the province. DSYB Amasya maintains national and international relationships, partnerships and networks, making it one of the leading examples for the country today.

In 2011, DSYB Amasya founded 'Amesia Gıda, Tarım, Hayvancılık, Nakliye, Sanayi ve Ticaret Limited Şirketi - Amasya Food, Agriculture, Breeding, Transport, Industry and Trade Ltd. ("Amesia Ltd.")', with the declared purpose of marketing local and natural products produced by the wives of association members using their own resources. The company also operates a dairy to process the milk of association members. The dairy products are marketed under the 'Amesia' brand name. The name quickly became widely known and is in demand not just in Merzifon, but throughout the country. The company currently has sales subsidiaries in Merzifon, Ankara and Istanbul, and in nine airports. It also runs an online shop at <http://www.amesia.com.tr/>.

Amesia Ltd. acts as a supplier, marketer and sponsor for the 'Amesia Çalışan Arı Kadın Girişimi Üretim ve İşleme Kooperatifi' women's cooperative.

In spite of different founding statutes, in terms of their structure and function, DSYB are cooperatives with a strong similarity to cattle breeders' associations in Germany. The main reason for this is that they emerged from Turkish-German technical cooperation between 1990 and 1999.

The Amesia Women's Association was founded on the initiative of the wives of members of DSYB Amasya ('DSYB') and with the association's support. The German Cooperative and Raiffeisen Confederation (DGRV) also contributed to the establishment of the women's association. The following answers stem from an interview with Ms Medine Alkoç, Board Chairwoman of the cooperative.



#### **What brought the women together?**

A project initiated by DSYB in 2010. The project explained the importance of social security to the women. Women who participated in the training course became aware of the importance of social security, and we wanted to do something about it straight away.

#### **Were you able to begin right away?**

##### **Did it go perfectly smoothly?**

Unfortunately, it was anything but easy. Our husbands in particular caused problems and proved to be an obstacle. They were so used to having everything there for them. This is true not only of our husbands but of all the villages, if not of the whole of Turkey. The men are not exactly thrilled if their wives go to work independently. We always stay in the background. But to achieve social security, we have to work and become productive. There is no other way. At the time, DSYB had launched another project with a focus on milk hygiene and milk processing. We were informed about everything, from milking to consumption, and we received practical demonstrations of the knowledge that was conveyed to us. We learned the things we needed to pay attention to in the production of cheese - white cheese, hard cheese, farm cheese, etc. - and other products. The training sessions were held in a number of villages in Merzifon, and many women took part in them. After the training, we received our certificates. Then the next step was our own production.

#### **Did you have facilities suitable for production?**

As always, we contacted DSYB. Our husbands are members there, and some are members of the board. We explained to them what we wanted to produce.

They were not thrilled, but the DSYB Chairman was on our side, and that is how we overcame the problem. At first, rooms in a residential building were rented for us.

**Who do you mean by 'us'?**

By 'us', I mean 15 interested women from 15 different villages. We wanted to bring about a change in general and in our own lives as well. We really were very lucky. Not only did we receive assistance from DSYB, but we also had a leader who pointed us in the right direction. Actually, we did not know what we were doing at first. It was Bingül Alış, a retired teacher, who brought us together, organised us and pointed us in the right direction. Bingül Hanım made us a team and provided us with leadership. We really owe her a lot.

**Were there differences of opinion within the group? Or did the fifteen women from fifteen different villages easily come together and form a team?**

Of course it was not easy. At first, we did not even know how to deal with each other. Bingül Hanım used beautiful examples and practical applications to train and shape us, though. Of course there were problems now and then, but we overcame them all. Now we have been together for a few years. Does that not show how well we manage the company?

**You are certainly right. What happened next?**

We did not just sit around. We met two or three times a week in the premises DSYB had rented for us and worked together there for a few hours. Our products were small, handcrafted products from the region. But for us, this was a very major thing. This was the first time we had met outside of our villages and spent time with like-minded friends. Free from the burdens of mother, father, husband, mother-in-law, father-in-law and children, we were free to talk and discuss what we would do next. It was a completely different world; it was like a dream. Before long, we could not wait to finally get back together with one another at our workplace.

**How did you get from the village to your workplace? Did every woman have a transport connection?**

Our husbands grumbled and drove us there and

picked us up in the evening. In the beginning, their resistance was great, but they got used to it with time. Seeing us satisfied and productive seems to have softened them, and they began supporting us.

Some of us had real transport problems. They came from further away, and public transport was expensive and did not drive very often. Sometimes DSYB organized transport for them; especially in rainy weather, the association drove them home.

**How long did this go on? When did you start producing on a larger scale?**

Around six months after our first meeting. One day, Bingül Hanım told us there would be a fair for local products in Antalya, and that we should definitely take part in that. Only, we did not know how to do that. If we could not even leave the village without our husbands, how would we make it to Antalya and market our products there? This was very difficult for us, and very exciting at the same time. We convinced our husbands and received financial support from DSYB. Then we packed all our products – jam, thyme, peppermint, tarhana, etc. – and drove to Antalya. That was an exciting experience. The interest in our products was very high, and we said to ourselves: we can do this; we absolutely have to continue our work. After that, things began gathering momentum.

**What exactly did you do?**

We decided to open a sales outlet. Since our products were obviously in high demand, we wanted to produce and sell a greater variety, with more and higher-quality products.

After returning from Antalya, we spoke with our husbands again, discussed things with them and finally convinced them. As before, DSYB has lightened our burden and paved the way for us.

**How did you come into contact with cooperatives?**

At the time we were looking for opportunities for further training in order to learn the things we still needed to learn and locate information about business opportunities. So we asked around about that. That is how we finally arrived at the DGRV delegation in Ankara. We met with a woman there and explained the matter to her. Since then, the DGRV rep-





representative in Ankara, Ms Ifakat Gürkan, has always been available for us and assists us in all matters. Together with the people in charge at the Ministry of Agriculture, DGRV informed us about the cooperative system, explained the benefits of the organisational form and trained us on a whole range of topics, food legislation, marketing, etc..

**Did you set up a cooperative immediately after the training?**

No. The experts at DGRV always urged us to make a plan, to calculate it through and to do business only where we would make a profit in the medium or long term. We said: let us set up a cooperative. They said: set up a virtual cooperative, elect a board and work for six months as if you were a cooperative. Then take a look at the results. If your earnings exceed your expenses and there is a satisfactory profit left over, you should officially start a cooperative. And that is how we did it; and it was good that we followed their advice.

**What was the advantage of this approach?**

What happened then was this: they had said work as a virtual cooperative for six months; we then

did this for four years. In the process, we learned everything from the ground up; we understood how a cooperative works, and we embraced it. It was not easy. In an environment in which everyone had produced and sold their own products up until then, we were suddenly being told to produce this quantity of the product in this way; then we would sell it together, with part of the revenue going back to the cooperative. It was not easy for everyone to accept that. Some people wanted to have a cooperative, but they wanted to keep all their income to themselves. Others did not want to work together, and their continued presence harmed themselves and the group. Unfortunately, some of the members of our group left the cooperative for these and similar reasons. Then we had to replace them with new members.

Today, we advise anyone who wants to start a cooperative to do a dry run before officially setting the cooperative up. If the collaboration works without major problems, and if the profits/benefits generated meet expectations, then you should proceed. Otherwise, an organisation like that will generate more losses than benefits. Then it is really just a shame.

REASONS FOR ESTABLISHING THE MERZIFON WOMEN'S COOPERATIVE AND RECOMMENDATIONS  
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- In order to put women producers in our region in a position to market their products under better physical and economic conditions, there is an urgent need for them to organise themselves in cooperatives.
- The cooperative was to be formed at village level or in a group of several villages, with a higher-level association established to represent the province.
- By creating women's cooperatives, women producers can market their products completely without intermediaries, or significantly reduce the number of intermediaries.
- The open markets currently organised in the provincial and district capitals do not offer ideal conditions for the sale of food. They need to be better organised, for the benefit of sellers and consumers alike.
- Women's cooperatives will lead to improvements in our region in many respects; they will create jobs, promote social integration and contribute to the regional development of agriculture and rural areas.
- Women working in rural areas on family farms are among the country's unregistered labour force and one of the groups most susceptible to poverty and unemployment. An association of these disadvantaged women under the umbrella of a cooperative will improve their lives and contribute towards family income.
- By setting up a women's cooperative, producers can market any surplus products not needed for their own consumption within the family. In the course of this marketing, they will realise which products are in demand and can then adjust their production accordingly.
- Local products produced and marketed under the aegis of a cooperative help promote domestic tourism.
- Not only food can be produced and marketed within the context of a cooperative, but gift items and home textiles can, too.
- Regional cooperatives promote women's entrepreneurial skills and secure their place in society as an economic factor.
- Cooperative workshops help promote women's craftsmanship.
- To support the activities of cooperatives, support should be sought from local and EU projects on issues such as marketing and training.
- Establishing exemplary production facilities in selected villages and organising production activities will accelerate development.
- Creating women's cooperatives will contribute to health awareness, child education, the promotion of women's rights and to the system of family counselling.
- Cooperatives will show women producers the importance of cooperation, assistance and solidarity and promote the culture of partnership.
- To raise awareness of women's cooperatives and explain their importance, training should be organised in village centres and its dissemination promoted.
- Arrangements should be introduced to cover the costs of setting up cooperatives – notaries' fees, the costs for a general meeting, accounting and other administrative fees – by the state or special provincial offices.
- One of the main declared tasks of the Amasya Province Cattle Breeders' Association (DSYB) should be to support all activities to establish 'women's cooperatives' and in particular the cooperative to be established by the wives of DSYB members.

### **How were decisions made at this stage?**

First of all, we all agreed on products and the methods we would use to produce them. Our virtual cooperative procured the raw materials for this; we then produced and sold the products without any profit expectations. The proceeds from the sales went to our cooperative in the form of revenue. We also manufactured products individually and sold them together. Five percent of the proceeds from sales of these products went to the cooperative. In other words, products were manufactured by individuals and sold by the group. Because the products were sold jointly, a portion of the revenue from their sale was withheld by the group. The idea behind this was to introduce group members to the idea that a portion of personal income had to be forwarded on to the cooperative. And we were successful in that. Most of the members were satisfied with this arrangement. At the same time, we earned enough money to finally decide to create a cooperative.

### **How many people left the group in the course of setting up the cooperative?**

Four companions left the group; that is one in four. I think that this is completely normal. The others were determined to continue their work.

### **You established a producer and processing cooperative. What are its special features? How does it differ from other types of cooperatives?**

The four years were exciting and not without their problems. In the end, we saw that we had mastered the work. We realised that we are able to work, produce, sell and earn money together. Now the time had come to form an autonomous structure. So we informed ourselves again. As you know, there are different types of cooperatives. Some are under the supervision of the Ministry of Agriculture, others under the Ministry of Commerce. The purposes for which they were set up differ, too. Experts advised us to set up a producer and processing cooperative under the Ministry of Commerce. That is because there is no geographical restriction for cooperatives like these. We can accept people from other villages, districts or provinces as members. Actually, as farmers, we should have chosen a type of cooperative under the Ministry of Agriculture. Cooperatives like

those are associations of persons from a village or from neighbouring villages in the same district. But because the women in our group come from different districts, an agricultural cooperative was not possible at all.

At this point, we would like to express our special thanks to the experts at the Ministry of Commerce, DGRV and the Ministry of Agriculture for their support in the start-up phase.

In short: We are women from different districts who want to market the products they have manufactured. The type of cooperative most appropriate to this purpose is that of a producer and processing cooperative.

### **When did you establish the cooperative?**

It was registered on 25 May 2015 and was thus officially established. We are 16 members. We would like to welcome more members, but no one has enquired yet. Actually, there are many women who could participate, but many of them shy away from societal pressure and do not dare. What made me think of that? There are more than a hundred women who sell their home-made products to us. The problem does not lie in manufacturing or sales; the problem lies in participation in cooperative activities and solidarity with other women. The prejudices of husbands and senior family members play a particular role in this. The reason for this is very simple: women who work and become economically independent demand the right to participate in the family and in their social environment based on their economic contribution. Some find this unsettling. It will be hard to increase our membership figures until we can overcome these prejudices.

### **Where do you manufacture your products? Are these production sites compliant with legislation on food hygiene?**

Unfortunately, we do not have a production facility where we can all work at the same time and that has been set up in accordance with legislation. We have made several attempts but have not succeeded yet.

Thus far, every member has tried to set up a space at home in a way that complies with legislation. That is where production then takes place. Bet-



ter-situated members make space available to other members at home.

This situation exacerbates the problems we have with our husbands, because we take up part of the apartment with fittings. The men complain, asking whether the home is a flat or a workshop.

What I mean by that is quite clear: to make products of higher quality, women need modern production facilities that they can easily get to and where they can work together.

**How do you transport your products to the point of sale? Do you rent a vehicle for the purpose?**

Transport is another problem we have. Unfortunately, we do not have a vehicle of our own that we can use to transport our products. A rental vehicle would incur high costs. That is why we ask our husbands to help. Sometimes it is easy, and sometimes we have to spend a long time asking.

**How do you promote your products?**

Advertising is another important problem. We ought to organise events, travel and visit customers.

Unfortunately, this effort fails both because of the money and the lack of support from our husbands. The men think it is unnecessary and fear a high financial burden for the family. We cannot make optimal use of the Internet, either, because we do not know enough about it. But we do have Amesia Ltd., a DSYB company, assisting us in this.

**What do you do to lower your production costs?**

More than anything else, we are trying to reduce the labour factor. To prevent misunderstandings: by this I mean not the use of technology, but the extensive use of one's own work. Technology is expensive, so there is nothing we can do about that yet.

We also make an extensive effort to procure our raw materials inexpensively. For instance, we collect the wild fruit for our jam in the mountains ourselves. We grow the fruit for our jams ourselves, and we also produce the milk for our dairy products ourselves. This is how we can keep the cost of raw materials low while improving quality at the same time.

We also purchase products from local women who are not yet members of our cooperative. We



pay them more for them than the usual market price. This way, we can provide them with an income, receive products of good quality and show them the benefits of a cooperative on the basis of a practical example. We serve as an example to them while investing in the future at the same time.

**Did you have difficulties setting up a cooperative?**

Establishing a cooperative is certainly not an easy matter. You do not have to provide a lot of capital, the way a company would, but even raising the necessary capital was certainly not easy for us women, as we are still in the beginning stages. Getting the money needed was very difficult. It would have been even harder if not for the support provided by DSYB.

Another problem involved the formalities. Go here and go there, this has to be applied for and this has to be filled out. That was tiring, daunting and also not really easy to understand. We had difficulty with this, even though the officials at the ministry were willing to help us.

Besides, we had virtually no idea of this 'legislation'. The laws, regulations and directives were ex-

tremely difficult for us to understand. There were a number of points raised in training, but it was only in practice that we understood what these were all about. That was very difficult for us, too.

And then there was the matter of the producer receipts, invoices, delivery slips ... All of that was new to us. I still cannot claim that I understand it all.

**Was setting up the cooperative worth all the effort?**

It definitely was. Despite all our efforts, when we succeeded, and when this success was expressed in the words, looks and behaviour of our social surroundings, we were uplifted with joy and forgot all the difficulties we had faced.

**What advantages do you think the cooperative has brought to the women involved?**

Above all, they have gained in self-confidence. They learned to stand on their own two feet and do a decent good job. As the cooperative became more and more successful, they became known in the country and that fills them with joy. Provincial leaders, mayors and managing directors of companies



welcome them; even ministers invite them. There are countless news items, studies and videos about them online.

So, yes, we are bringing courage to women; we have shown them that they can succeed, and we want to continue to be a role model for them.

We have learned how to turn raw materials into more valuable products. We have expanded our product range and improved our quality. In the process, we earn money while at the same time enabling others to earn something as well.

We have opened up new markets for our products. We also market the products of many women who are not members themselves. This way, we can provide them with an income and make money ourselves as well.

Before we began working together and launched our cooperative, we were too shy to buy a handkerchief in the market; today, each of us is an entrepreneur in her own right. Meanwhile, we are thinking of renovating our apartments and investing money in our production. This is an incredible transformation; I can hardly put it into words.

We are now able to listen more efficiently to the people we talk with. We have learned what empathy is and are aware of its importance. That has led us to success. We have learned to communicate and solve problems more rationally with our husbands, children and elders. We owe this to the training and cooperation we have experienced.

#### **What principles do you observe with your products and your production?**

We produce pasta, marmalade, jam, pickled vegetables, dairy products and other local products. In this effort, we base our manufacturing and marketing on the following: What does the customer want from us, how much of it does he or she want, and with which of our products is he or she satisfied?

Naturally, customer satisfaction comes first. That is why we constantly audit our members' production operations - which is to say we audit ourselves. We ask ourselves the question: Which of us further improves customer satisfaction, and with which products? Based on the answer to these questions, we divide the members into groups. Once these groups have been formed, persons are placed in charge

of the production and sale of individual product groups, such as pasta, jam and dairy products. Our products bear the name of the producer and the village. Anyone who is judged negatively by customers is sent a reminder. If no correction is forthcoming, that person's responsibility is withdrawn.

DSYB food engineers also control our manufacturing conditions and our products. We take the steps necessary based on their reminders and recommendations.

#### **Do you offer further services?**

Yes. Six of our members who made a very strong contribution have been elevated to the status of employees; we pay them a wage and guarantee them the associated social benefits. The other members receive remuneration for hours worked. Our aim for the future is to provide social security and health protection to all of the women working here.

#### **What is next? What are your further objectives?**

I just mentioned one such objective: social security and health protection for all women who are members of the cooperative and work there.

Another objective is to create employment opportunities for women, to provide them with an income and make money with them.

We also want products not to be thrown away in this region. That is why we want to first determine the needs and adjust our production accordingly.

We want to use and market the products produced by our members through the cooperative.

We want to serve as role models for women who do not work and feel helpless and incapacitated. We want to convince them that, if we work together, we will succeed.

#### **What do you recommend to someone who wants to start a cooperative?**

Above all: do not make any hasty decisions. They should carefully decide what they want to do, how they want to do it and with what or with whom they want to do it. That takes time. It took us nearly four years. The right people have to agree on reasonable goals; if not, failure and disappointment are inevitable.

Cooperatives require patience, dedication, soli-

clarity, respect for one another, empathy, work and a willingness to take responsibility. Stay away from the selfish, the greedy, and the gamblers who seek to get rich without effort.

Of course, up-to-date and reliable information and good training are also important. Interested parties should not forget that successful cooperatives are more likely to be found in societies in which the citizenry is educated and willing to get involved and share with one another.

*Everything is achieved hand in hand!*