A Gender Lens on the COVID-19 Impacts on Textiles Exports in Turkey

Noreen Burroughes Cesareo
Yolanda Gibb
Nicole Pitter Patterson
Seza Aydin Onur
Sanaz Javadi Farahzadi
Inés María Oeo Chacón
Fatemeh Hosseingholiluo
Siti Rubiah Lambert

Current Affiliation: Women’s Economic Imperative (WEI) - Organization of Women in International Trade (OWIT – Lake Geneva)

Type of Contribution: Policy Brief

Word count: 3982

Keywords: Gender Lens, Trade Facilitation, Paperless trade/digitalization/E-commerce

A contribution to the Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements

Disclaimer: The author declares that this paper is his/her own autonomous work and that all the sources used have been correctly cited and listed as references. This paper represents the sole opinions of the author and it is under his/her responsibility to ensure its authenticity. Any errors or inaccuracies are the fault of the author. This paper does not purport to represent the views or the official policy of any member of the Policy Hackathon organizing and participating institutions.
COVID-19 has left an indelible mark on global economies. Supply chains have swiftly reacted to changes in consumption patterns, cancelled orders, halted production, closed factories and work-from-home conditions. This in turn has affected markets, livelihoods, long term viability and working conditions for businesses of all sizes, especially women-owned/led businesses. Many industries had to adopt an agile approach, while still operating within existing trade agreements. Yet, in just a few weeks, many had pivoted established production lines to meet increased demands while creating new products that could be traded globally.

The WEI-OWIT Team focussed on Turkey and its textiles sector, both of which occupy important roles within global trade and were instrumental in vital supplies of PPE. Using a gender lens, we studied the effect this crisis had on women-owned/led businesses trading internationally. We also consulted Turkish women entrepreneurs who suffered substantial losses in income and experienced immense pressures on their businesses and personal lives. This policy paper presents insights from our reviews of the sector, existing trade agreements, and COVID-19 measures taken by Turkey.

These are seismic impacts experienced by these businesses. Notwithstanding, it is a tremendous opportunity for Turkey to build resilience in its key sectors beyond COVID-19 as it supports and encourages women entrepreneurship.

Our recommendations include utilising a stronger gender lens on policies that benefit women entrepreneurs and that govern the following:

**RECOMMENDATIONS**

**Trade, Legal & Regulatory Environment**

Elimination of restrictions on export, including authorisation schemes.

Avoidance of unnecessary sector lockdowns, prolonged measures and other barriers that impact trade.

Suspension of national regulations and local protective measures that impact cross-border trade.

Facilitation of automated customs procedures, distanced arrangements, digital platforms, blockchain and electronic signatures to minimise blockages in logistics and supply chains.

Maintenance of vital supply flows through improved access to alternative, sustainable transportation infrastructures (rail and sea).

Collaboration and expedition of standards and certification procedures to allow new products to be traded as quickly as possible. Eliminate requirements that could restrict trade and maintain a universal technical requirement.

Maintain transparency about trade-related policy actions and intentions with key markets.

Enhance legal infrastructures to facilitate cross-border movement and trade.
**Gender Lens on Financial Support**

Simplification of tariffs and fees.

Ongoing access to lines of credit.

Ensure financial institutions have financial products that are designed for women-owned businesses.

Review of international agreements to ensure ongoing liquidity and free-flow within supply chains; efficiency of appeal procedures.

Requirement on supply chain to review payments/credit at time of crisis that especially impact women-owned/led MSMEs and the formal/informal sectors.

**Enhance Competitiveness**

Enhance product quality and business competitiveness of exporting women-owned/led business through the effective use of intellectual property systems, especially certification marks and community brands such as geographical indications.

Incorporate policies, information and education as part of the Turquality program.

**Cross-cutting**

Inclusion of women-led or owned MSMEs in consultation processes for pandemic measures and restrictions.

Inclusion of women in decision-making bodies that decide on survival packages, international standards and policies.
With Thanks
Dr. Gülden Türktan, IWF President, Turkey; Founding Chair, W20 of G20
Gülsün Polat Postacı
KAGiDER
WEConnect International, Europe
Lydia Burdorf
Mojdeh Moshefi Tavana
As the pandemic gripped communities, lockdown policies and stay-at-home orders curtailed local and cross-border movement and enforced temporary business closures, impeding the manufacture and transportation of goods, and severely restricting the flow of supply chains. Workers dropped out of the labour force due to infection or lost their jobs. There were drastic changes in consumption patterns globally and economies began to collapse.

International studies carried out during the height of the crisis show that entrepreneurs and micro and small and medium enterprises (MSMEs) were most vulnerable, due partly to having fewer cash reserves, limited skills and resources with which to adapt to the changing context. Many form part of the informal economy, causing them to miss out on financial and rescue packages. Existing studies showed that women-led businesses operating across impacted industries tended to be more affected by the crisis. Even taking the gender distribution within sectors into account, differences persist, with 64% of women-owned/led businesses declaring their operations as strongly affected, compared with 52% of men-owned/led companies.

Despite pioneering work by United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC) and others, as well as international commitment to improving the participation of women in trade, as manifest in the Buenos Aires Declaration, women-owned/led businesses are still underrepresented in international trade. Only 74 of 556 Trade Agreements, including 292 agreements currently in force and notified to the World Trade Organisation (WTO) (as of November 2018) directly refers to gender-related issues. Consequently, we applied a gender lens to examine the impacts COVID-19 had on women-owned exporting businesses and make recommendations for regional and other trade agreements.

To contextualise the brief, we focused on the garment & textiles industry, a sector where women are well represented globally, and Turkey, a key producer and exporter of textiles and apparel. To inform the brief, we reviewed the texts of multilateral and bilateral trade agreements to which Turkey is a signatory, analysed support measures announced for business by the Turkish government, interviewed key informants and consulted women-owned exporting businesses in the sector in Turkey.

ITC sectoral data for key markets such as China, the European Union and the United States suggests that skins and leather products, footwear and clothing were among the most affected goods. While exports of all these products fell at least 20% since the COVID-19 outbreak, the explosion in demand for PPE and face masks provided an opportunity for businesses to pivot in response to the pandemic.

Turkish women-owned businesses consulted confirmed the losses in revenue following the outbreak as well as the ongoing disruption to trade as a result of the measures imposed and the ensuing temporary or forced closures. Direct consequences of COVID-19 include supply chain disruption, changes in global consumption patterns and work conditions, logistics and

---


transportation challenges, and increased domestic and caring responsibilities in their personal lives.

Our recommendations for provisions in regional and other trade agreements include adopting a more responsive gender lens on policies that benefit women’s entrepreneurship and that govern:
- Continued free flow of business and international supply chains
- Digitalisation of trading tools and customs frameworks
- Transportation and Logistics
- Facilitation of access to finance
- Global standardisations and Protection of IP

COVID-19 AND THE TURKISH RESPONSE

With the first case of COVID-19 in Turkey confirmed on 11 March, the National Response Plan for Pandemics was quickly activated, mobilising hospitals and certifying laboratories to test suspected cases. Daily activities were restricted for most of the population, the over-65s and under-20s were locked down completely, and weekend curfews were imposed. The timeline in Figure 1 shows the COVID-19 containment measures in Turkey.

Figure 1 – Timeline of COVID-19 containment measures in Turkey

---

Social Distancing and Confinement Measures included the closures of all schools, universities and public places, and the suspension or postponement of public, social, cultural and sport gatherings. Essential retail remained open, and basic services (such as electricity, water and gas) continued to function normally.5

Transportation: Virtually all international and domestic flights were cancelled while public and private transport was banned in 31 provinces, affecting 76% of the total population. These were relaxed on 11 June, when Turkey re-opened most of its international air, land, and sea borders. COVID-19 Control Measures continue across all ports and borders.

Logistics: The steep fall in demand from international trading partners saw Turkish exports plunge by 41% in April 2020. This had a knock-on effect for companies transporting goods for export. As border closures and quarantine requirements made deliveries by truck more difficult, the industry made greater use of rail and sea transport.6

The age-related containment reduced infection/death rates, permitting the introduction of less strict containment measures for the lower-risk groups. This appeared to contribute to limiting the contraction in general manufacturing, including textiles and apparel, a sector which could have fared much worse with a uniform lockdown policy.

Most households and vulnerable groups such as women, or those living in poor or marginalised areas, experienced significant stress and disruption as they faced reduction or closure of essential non-health services such as education and social care. This increased the risks of gender and child-based violence, as well as caring responsibilities for women looking after children, the elderly or sick family members. It is expected that the effects of prolonged social distancing and confinement measures will also result in increased unemployment.

GDP: Turkey is currently the 19th largest economy (in nominal terms). According to the IMF, GDP rose by 4.5% year-on-year (y-o-y) over the first quarter of 2020, less than the 6.0% y-o-y growth in the last quarter of 2019.7 Arguably this slowdown was a response to the initial containment measures. It appears that exports began to bounce back by June 2020, increasing 18% y-o-y for this month following a sharp decrease of up to 42% during March-April-May 2020.8

In response to the crisis, the government primarily focused on loans and limited wage support9. The Economic Stabilization Shield package introduced the postponement of existing repayments and additional loans to support a range of sectors:

- Support to safeguard jobs: From 26 March, ‘Credit Support for Continuation of Work’ targeted companies that maintained their pre-pandemic levels of employment, providing up to 100 million TL (depending on company turnover) at 7.5% interest and 36-month term.

---

6 L.Pitel, Turkey’s logistics providers adjust to the strains of Covid-19, (Financial Times, 5 June 2020) https://www.ft.com/content/24db45c0-9393-11ea-899a-f62a20d54625
● **Compensation for mandatory shut-down:** Compensatory work could be sought where work stops due to obligatory reasons or because of leave requests. The period when this work may be requested was extended from two to four months.

● **Temporary imposition of overtime:** Businesses could impose daily hours of work with overtime, not exceeding 11 hours a day, without the worker’s approval. This specifically targeted the textile and garment industries manufacturing much-required items such as protective clothing and masks.

● **Moratorium on tax payments:** In certain sectors, including the textile and garment industry, tax payments were postponed due to ‘force majeure’.

● **Liquidity funds:** Additional credit opportunities were provided for SMEs which were adversely affected by the pandemic and which had suffered liquidity deficits.

● **Support for export:** The Central Bank’s ‘Advance Loans against Investment Commitment’ provided firms with investment support of up to 400 million TL for 10 years, with a view to increasing exports and decreasing imports.

● **Additional support was provided to factories manufacturing products of urgent need such as masks, gloves, eyeglasses and protective garments.**

Early in July, the World Bank\(^\text{10}\) approved a loan of EUR 314.5 million for the Turkey Rail Logistics Improvement Project which will help revitalize the transport and logistics sector, and contribute to the sustainability of supply-chains in the aftermath of COVID-19.

THE TURKISH TEXTILES AND APPAREL SECTOR

According to the Turkish Clothing Manufacturers’ Association Board (TGSD)\(^\text{11}\), the industry is second only to the automotive sector. The Turkish textiles and apparel sectors are two of the most competitive worldwide, employing over 1.5 million people directly, and creating a further 3.5 million jobs in associated sectors such as marketing, promotion, distribution and cotton growing. In 2019, it was reported\(^\text{12}\) that there were around 20 thousand textile manufacturers and 52 thousand wearing apparel manufacturers in Turkey.

---


Table 1: Turkey’s Apparel Export Share within General Export

<table>
<thead>
<tr>
<th></th>
<th>2018 January-December</th>
<th>2019 January-December</th>
<th>2018/19 Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkish General Export</td>
<td>176,860.826</td>
<td>180,468.488</td>
<td>2.0</td>
</tr>
<tr>
<td>Apparel Export</td>
<td>17,628.348</td>
<td>17,700.869</td>
<td>0.4</td>
</tr>
<tr>
<td>Apparel Export’s Share %</td>
<td>10.0</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>Industrial Export</td>
<td>136,205.716</td>
<td>138,253.859</td>
<td>1.5</td>
</tr>
<tr>
<td>Apparel Export’s Share within Industrial Export %</td>
<td>12.9</td>
<td>12.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: Exporters Associations Records

The world’s sixth biggest exporter of textiles, and Europe’s third biggest source of ready-to-wear, Turkish exports account for 15% of its total exports. It offers customers vertical manufacturing capability, which makes a real difference in delivery times. This contributes to a well-developed supply chain where buyers can find most of the fabrics, washing and embellishment needed for their garment requirements within the country.

Turkey’s Main Export Markets: A large proportion of Turkey’s textile and apparel exports are destined for Europe. Nearly 73.4% of exports go to EU countries, with Germany, Spain and the UK being the main destinations.13

Table 2: Leading Markets in Apparel Export

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Share %</th>
<th>2018</th>
<th>Share %</th>
<th>2017/18 Change %</th>
<th>2019</th>
<th>Share %</th>
<th>2018/19 Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3,228,022</td>
<td>19.0</td>
<td>3,165,651</td>
<td>18.1</td>
<td>-1.0</td>
<td>3,073,797</td>
<td>17.4</td>
<td>-3.8</td>
</tr>
<tr>
<td>Spain</td>
<td>2,090,513</td>
<td>12.3</td>
<td>2,396,964</td>
<td>13.6</td>
<td>14.9</td>
<td>2,318,637</td>
<td>13.1</td>
<td>-3.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,954,245</td>
<td>11.5</td>
<td>2,022,055</td>
<td>11.5</td>
<td>3.5</td>
<td>1,908,868</td>
<td>10.8</td>
<td>-5.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>860,143</td>
<td>5.1</td>
<td>999,076</td>
<td>5.7</td>
<td>16.2</td>
<td>1,125,491</td>
<td>6.4</td>
<td>2.7</td>
</tr>
<tr>
<td>France</td>
<td>843,154</td>
<td>5.0</td>
<td>887,625</td>
<td>5.0</td>
<td>5.3</td>
<td>874,263</td>
<td>4.9</td>
<td>-1.5</td>
</tr>
<tr>
<td>Iraq</td>
<td>715,056</td>
<td>4.2</td>
<td>666,449</td>
<td>3.8</td>
<td>-6.6</td>
<td>707,199</td>
<td>4.0</td>
<td>6.1</td>
</tr>
<tr>
<td>USA</td>
<td>560,719</td>
<td>3.3</td>
<td>599,693</td>
<td>3.4</td>
<td>7.0</td>
<td>647,306</td>
<td>3.7</td>
<td>7.9</td>
</tr>
<tr>
<td>Italy</td>
<td>556,345</td>
<td>3.3</td>
<td>577,446</td>
<td>3.3</td>
<td>3.2</td>
<td>574,634</td>
<td>3.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>392,608</td>
<td>2.3</td>
<td>412,002</td>
<td>2.3</td>
<td>4.9</td>
<td>403,175</td>
<td>2.3</td>
<td>-2.1</td>
</tr>
<tr>
<td>Israel</td>
<td>327,075</td>
<td>1.9</td>
<td>357,978</td>
<td>2.0</td>
<td>9.4</td>
<td>363,176</td>
<td>2.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Top 10 Countries</td>
<td>11,530,882</td>
<td>67.7</td>
<td>12,116,935</td>
<td>68.7</td>
<td>5.1</td>
<td>12,026,563</td>
<td>67.9</td>
<td>-4.7</td>
</tr>
<tr>
<td>Apparel Export</td>
<td>17,031,269</td>
<td>100</td>
<td>17,628,348</td>
<td>100</td>
<td>3.5</td>
<td>17,700,869</td>
<td>100</td>
<td>0.4</td>
</tr>
<tr>
<td>Share of top 10 Countries %</td>
<td>67.7</td>
<td>68.7</td>
<td>67.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Exporters Associations Records

---

Before the pandemic spread in January 2020, Turkey’s fashion exports had registered a y-o-y increase of 5.8%, while the sector enjoyed a 10.1% share in Turkey’s overall exports of $14.8 billion. However, during the pandemic the clothing and textile industry emerged as the worst-hit industrial sector.

Table 3: Turkish Exports of Textiles & Apparel: Comparison January-June for 2019 and 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Textiles and Raw Materials</th>
<th>Clothing Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>676,298,561.00</td>
<td>1422006794</td>
</tr>
<tr>
<td>February</td>
<td>640601150.6</td>
<td>1419151828</td>
</tr>
<tr>
<td>March</td>
<td>728443293.1</td>
<td>1681909870</td>
</tr>
<tr>
<td>April</td>
<td>691777291.5</td>
<td>1508263001</td>
</tr>
<tr>
<td>May</td>
<td>788383115.5</td>
<td>1627522073</td>
</tr>
<tr>
<td>June</td>
<td>510768452.9</td>
<td>1090800355</td>
</tr>
</tbody>
</table>

Source: Ministry of Trade, Turkey

As Table 3 shows, both Textile and Apparel exports began to contract in March. The most severe impact was felt in April 2020, when exports reached only 44% and 35% respectively of the previous year’s sales for the same month.

Following initial signs of recovery in May, exports have rallied further in June. However, exports in the first six months of this year represent 78% of the previous year’s sales in the case of textiles and 80% in the case of apparel. It remains to be seen whether exports will fully recover by the end of the year.

---


WOMEN AND WOMEN-LED ENTERPRISES IN THE TEXTILE & GARMENT SECTOR

Women’s participation in the Turkish Economy: Women make up 33.6% of the labour force. Out of 30 million women, only 8.6 million women of working age are employed; an additional 1.5 million are seeking employment. These figures indicate that almost 20 million women of working age are neither employed nor in school; more than half are excluded due to their roles as homemakers and caretakers in their families. Additionally, about a third who are considered to be employed are unpaid family workers in the agricultural sector. For women entrepreneurs, the employment rate is 8.8%, compared to the average employment rate of 60% in the European Union.

Source: https://weconnectinternational.org/images/IndPDFs/Turkey.pdf

Women on executive boards in Turkish companies: In 2018, women represented 15.2%, climbing to 16.6% for the first 100 companies listed on the Istanbul Stock Exchange. When ignoring membership based on kinship ties, this ratio decreases to 3.8%.

Senior management posts: In 2017, there were 17.3% women in the private sector and 11% in the public sector.

Recently there has been a rising trend of false or forced enterprises, where women find themselves selling their labour through contract modalities rather than through employment.

---

**Gender and Enterprise:** There is no official data on the number of women entrepreneurs in Turkey. A World Bank study estimates that women entrepreneurs represent around 40% of MSMEs. The following data from WE Connect International\(^{21}\) gives a breakdown of sectors where women-owned businesses predominate in Turkey.

![Pie chart showing sector distribution of women-owned businesses in Turkey](https://weconnectinternational.org/images/IndPDFs/Turkey.pdf)

Source: [https://weconnectinternational.org/images/IndPDFs/Turkey.pdf](https://weconnectinternational.org/images/IndPDFs/Turkey.pdf)

Overall, the World Bank Group Women, Business & the Law Index shows that Turkish women score well in terms of accessing institutions and using property, but score somewhat less when it comes to accessing the justice system and non-discriminatory access to work. However, it is on the indicator relating to building credit and accessing finance that Turkey scores 0.

**Table 4. Women, Business and the Law: Key Indicator Scores\(^{22}\)**

<table>
<thead>
<tr>
<th>Turkey's legal framework does not discriminate against women as they...</th>
<th>Turkey</th>
<th>Europe &amp; Central Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access institutions, either public or private</td>
<td>100</td>
<td>99</td>
</tr>
<tr>
<td>Use property for either personal or professional purposes</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Get a job in any industry, regardless of marital status or pregnancy</td>
<td>70</td>
<td>77</td>
</tr>
<tr>
<td>Are provided with incentives to work, including benefits</td>
<td>60</td>
<td>79</td>
</tr>
<tr>
<td>Go to court and access legal services, for either personal or professional purposes</td>
<td>75</td>
<td>74</td>
</tr>
<tr>
<td>Build credit and access finances</td>
<td>0</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: [https://weconnectinternational.org/images/IndPDFs/Turkey.pdf](https://weconnectinternational.org/images/IndPDFs/Turkey.pdf)

---


Banks in Turkey are failing to cater to women entrepreneurs, even though they represent an untapped market of $4 billion\textsuperscript{23}, according to a World Bank study. In recent years, there have been a number of public and private programmes providing access to finance and support for Turkish women entrepreneurs, some of whom also export. This has encouraged the growth of women entrepreneurship, and an increase in start-ups owned by women entrepreneurs\textsuperscript{24}.

**Supply Chain and The Informal Economy:** Culturally, Turkey has relied on women as the main suppliers of informal labour through subcontracted and home-based piecework.\textsuperscript{25} In order to withstand the pressure of global competition, export-oriented subcontracting networks and arrangements in the garment industry rely on cheap female labour organised around kinship networks in the peripheries of urban centres.\textsuperscript{26}

A substantial presence in garment workshops, women are unfortunately also subjected to a heavily gendered and sexualised work atmosphere, which is widespread throughout Turkish industries and societies.

In the textile and garment sectors, women’s labour force participation is at 37%, and 40% respectively. This does not take into account the wider indirect sectors that contribute to this sector such as marketing, promotions, etc.

**COVID-19: WHAT NEXT?**

At the start of the pandemic, Turkey was one of the countries that stood to benefit most. It presented itself as an alternative production hub to the Chinese market, although its supply chain was impacted due to the fall in production of raw materials in China as a result of COVID-19. Orders began migrating to Turkey and manufacturers moved fast to capitalize amid hopes that the coronavirus would remain localized. At that time, they were expecting a bonus 10% growth.\textsuperscript{27}

Unfortunately, clothing and textiles were among the first to be affected by changes in consumption patterns, reacting to the sharp slumps in global demand. Businesses concentrating on exports saw international brands cancelling orders shortly before the pandemic came to Turkey.

The sector saw further problems emerging within the supply chain, such as in the provision of intermediary input materials, including raw materials and accessories from Europe. With the lockdown in place between March and June 2020, a contraction in production capacities led to unemployment for hundreds of thousands of workers. The entire global chain, from cotton
and fibre suppliers to retail shops, was affected\textsuperscript{28}. Some factories continued working for stock. Ever agile, a number of textile factories and workshops started producing face masks.

**Insights from Exporting Women Entrepreneurs in the Industry**

We consulted with a small group of women-owned/led MSMEs that export to key regions. Their responses mirrored the business picture emerging globally. The enforced factory shutdown, coupled with interruptions to the supply of inputs and logistical challenges limited production, while export orders contracted and the profitability of the orders that remained fell. For a number of businesses this has led to liquidity problems, as a result of which they have had to reschedule the loans held prior to the outbreak. As at July 2020, the impact of the pandemic is still being felt, with more than half of the businesses consulted expecting a fall in turnover of up to 50% in 2020 compared to the previous year.

**Needs for support:** When asked for their opinions on the regulatory changes or financial and non-financial support that would help them retain or increase their export business over the year, they answered that they would like to see:

- Extended bank limits to continue working with the existing supply chain
- Policy reviews concerning payments that were being forced as Letters of Credit
- Low or fixed-year grace period for funding support for export
- Increased marketing opportunities and support
- Increased digital support and infrastructure to enable smoother trade facilitation such as online payments, customs, etc.
- Overseas suppliers reach 100% efficient workforce
- Suppliers not employing postponement/cancellation policies in payments
- Grants or loans that are provided independently from existing financial obligations

From these responses, our working group surmised that although all of them made use of the available packages and have rescheduled loans they held prior to COVID-19, it was generally felt that these packages did not go far enough. These women-owned businesses would have appreciated better support with logistics, payment terms and the supply chain.

**Window of Opportunity: A pivot to Digital**

In recent years, Turkey has embarked on full digitalization of its economy, allowing all businesses to effectively compete in global markets\textsuperscript{29}. Projects such as “Facebook Istasyon”, launched in 2019 in collaboration with the Turkish Union of Chambers and Stock Exchanges (TOBB) and the Habitat Association, help MSMEs and entrepreneurs utilise Facebook’s tools to reach international markets.


\textsuperscript{29} R Pekcan, Turkey’s Trade Strategies in the new Digital Age, (Turkish Policy Quarterly, 19 March 2019), http://turkishpolicy.com/article/951/turkeys-trade-strategies-in-the-new-digital-age#_ftn1
Since 2012, business-to-consumer (B2C) e-commerce volume has increased by an average of more than 20% annually. Turkish e-commerce websites have also increased. And although still below the world average, Turkish companies are rapidly adapting to trading online. Simultaneously, however, Turkey has a mass of low-skilled, micro-sized, informal businesses - many of which are women-owned or led. This gap is a specific challenge for the Turkish economy which requires targeted awareness, facilitation, information and education campaigns.

Standing at geostrategic crossroads, Turkey has grasped its potential as a logistics hub for e-commerce. The Ministry of Trade has employed several digital strategies, from domestic commerce infrastructure to customs procedures, electronic platforms and automation to customs services. These called for international cooperation since documents must be verified and recognized across-borders. A case in point is the trade relationship with the EU Customs Union partner, a key partner for Turkey in the textiles sector.

During the worst of the crisis, Turkey saw the growth of online sales. Pivoting on their nascent online capabilities, many Turkish businesses brought forward their planned improvements in online capabilities. In fact, Turkey’s main industry group, TOBB, reports that the sector is quickly gearing up to build the digital infrastructure, especially for MSMEs in manufacturing and retail. Projects are underway to move to digital, such as an EU-funded business-to-business project that enables Turkish businesses to design and show collections on virtual models in a digital setting without the need for samples.

THE IMPACT OF THE TRADING ENVIRONMENT

Regional and Free Trade Agreements (FTAs)

As documented in ITC’s Mainstreaming Gender in Free Trade Agreements30, there is a very close relationship between economic empowerment of women and international trade, as effective regulation of the latter could support the former. The multilateral space of the WTO has many limitations that make it difficult to accommodate gender concerns, although as multilateralism evolves, FTAs have shown great potential for gender-positive policies. More than a quarter of the 292 FTAs in force today and notified to the WTO have at least one gender-explicit provision.

In addition to the Custom Union and other agreements with the EU, Turkey has 20 FTAs in force with: EFTA, Israel, the former Yugoslav Republic of Macedonia, Croatia, Bosnia-Herzegovina, Tunisia, Morocco, Syria, Egypt, Georgia, Albania, Montenegro, Serbia, Chile, Jordan and Lebanon.

Turkey is one of the members and observers supporting the Buenos Aires Declaration on Women and Trade. As part of the research, 18 trade agreements with provisions for the textiles, apparel or clothing sector were analysed, and none were found to contain references to the terms women and/or gender (see Annex).

Turkey and International Standards and Regulations

Now a member of the International Organisation for Standardisation (ISO), Turkey’s standardisation activities date back to 1930. In 1951, the Ministry of Economy and Commerce, with the Union of Turkish Chambers of Commerce, Chambers of Industry and Commodity Exchanges, recognised the need for standardisation to support the rapid development of local industry and foster Turkey's participation in international trade. The Türk Standardları Enstitüsü (TSE) was established in 1954 as an autonomous institute affiliated to the Union, acquiring the status of a legal entity administered under the provisions of Civil Law in 1960, by Organization Law 132.31

In order to expedite Turkey’s economic development, the Government introduced the Turquality Program in 2003 to protect local businesses and promote high quality Turkish brands abroad. The Turquality program provides support to local businesses for brand registration, quality certification, advertising and promotion, as well as fashion and industrial product design, and covers the textiles and apparel sectors. In spite of the gradual improvement within these sectors, they too were impacted by the pandemic. COVID-19 called for the supply of new products such as PPE and facemasks, however production standards were not respected by all the engaged producers.

Counterfeit Masks: In March 2020, it was widely reported that counterfeit medical masks were flooding global markets, many of which had been produced in unsterile sweatshops previously used to make fake designer handbags or jeans.32 Unfortunately, Turkey was mentioned as one of the markets supplying these masks. Producers were caught labelling products with brand names of well-known medical supply companies, and even forging “CE” certification stamps and documents purporting to attest to European standards.33 This shone an uncomfortable spotlight on the Turkish industry and its adherence to international standards.

Standards for PPE & Face Masks

In March 2020, Istanbul Textile and Raw Materials Exporters’ Association (ITHIB) reported that the industry would produce protective clothing, gloves, and 40 million masks a month, in line with the request from the Ministry.

Production standards for reusable masks made of woven, knit, tricot and non-woven textiles were determined jointly by the Ministry of Trade, Industry and Technology, TUBITAK, TSE, (ITHIB). ITHIB maintains that Turkey is the third country after France and Spain which determined and implemented these standards. The Ministry of Trade permitted the export of cloth masks which met these production standards without having to obtain the approval of the Medicine and Medical Device Institution of Turkey (TITCK). With this decision, the textile and apparel sector were free to export face masks.

31 ISO, Members, TSE Turkey Membership: Member Body, accessed July 2020)
https://www.iso.org/member/2168.html
32 B. Daragahi, Total disregard for people’s lives: Hundreds of thousands of fake masks flooding markets as coronavirus depletes world supplies, (Independent.co.uk, 25 March 2020),
The adoption of international quality standards can foster international trade as it contributes to increasing trust in the products they govern, and provides a framework for detecting the type of fraudulent behaviour described above. However, the procedures for becoming accredited can be quite onerous, especially for MSMEs. Women-led businesses, due to their general characteristics, tend to find them especially so.

In addition to standardization, there are other protective legal measures, such as intellectual property (IP), which can enhance business competitiveness of women-owned/led businesses in Turkey. Through the use of internationally-recognised certification marks, IP can play a major role in positioning and differentiating quality products in international markets.

RECOMMENDATIONS
There is a tremendous opportunity for Turkey to ensure that it supports and encourages its still-nascent gender MSME demographic, especially in its key sectors beyond COVID-19. We put forward the following recommendations for consideration as amendments in existing policies and trade agreements:

**Trade, Legal & Regulatory Environment**
Elimination of restrictions on export, including authorisation schemes.
Avoidance of unnecessary sector lockdowns, prolonged measures and other barriers that impact trade.
Suspension of national regulations and local protective measures that impact cross-border trade.
Facilitation of automated customs procedures, distanced arrangements, digital platforms, blockchain and electronic signatures to minimise blockages in logistics and supply chains.
Maintenance of vital supply flows through improved access to alternative, sustainable transportation infrastructures (rail and sea).
Collaboration and expedition of standards and certification procedures to allow new products to be traded as quickly as possible. Eliminate requirements that could restrict trade and maintain a universal technical requirement.
Maintain transparency about trade-related policy actions and intentions with key markets.
Enhance legal infrastructures to facilitate cross-border movement and trade.

**Gender Lens on Financial Support**
Simplification of tariffs and fees.
Ongoing access to lines of credit.
Ensure financial institutions have financial products that are designed for women-owned businesses.
Review of international agreements to ensure ongoing liquidity and free-flow within supply chains; efficiency of appeal procedures
Requirement on supply chain to review payments/credit at time of crisis that especially impact women-owned/led MSMEs and the formal/informal sectors.
Enhance Competitiveness

Enhance product quality and business competitiveness of exporting women-owned/led business through the effective use of intellectual property systems, especially certification marks and community brands such as geographical indications.

Incorporate policies, information and education as part of the Turquality program.

Cross-cutting

Inclusion of women-led or owned MSMEs in consultation processes for pandemic measures and restrictions.

Inclusion of women in decision-making bodies that decide on survival packages, international standards and policies.

References


Anadolu Agency, Turkish economy sees total turnover up 12.5% in May, (hurriyetedailynews.com, 13 July, 2020) https://www.hurriyetedailynews.com/turkish-economy-sees-total-turnover-up-12-5-in-may-156522


C. Tomasi, *Against a Virus with the Private Sector* (ReliefWeb, 21 July 2020) https://reliefweb.int/report/turkey/against-virus-private-sector


European Bank for Reconstruction and Development, *Women in Business: Turkey*  
[http://www.ebrdwomeninbusiness.com/?s=about](http://www.ebrdwomeninbusiness.com/?s=about)


Global Entrepreneurship Monitor: *Turkey* (GEM, most recent data: 2018)  
[https://www.gemconsortium.org/economy-profiles/turkey](https://www.gemconsortium.org/economy-profiles/turkey)

IFC, World Bank, *A Helping Hand for Turkey’s Women*  
(ifc.org accessed July 2020)  
[entrepreneurship](https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/turkeys+women+entrepreneurs)


Interpol, *Global operation sees a rise in fake medical products related to COVID-19*, (Interpol, 19 March, 2020)  

ISO, *Members, TSE Turkey Membership: Member Body*, (accessed July 2020)  
[https://www.iso.org/member/2168.html](https://www.iso.org/member/2168.html)


L. Pitel, *Turkey’s logistics providers adjust to the strains of Covid-19*, (Financial Times, 5 June 2020) [https://www.ft.com/content/24db45c0-9393-11ea-899a-f62a20d54625](https://www.ft.com/content/24db45c0-9393-11ea-899a-f62a20d54625)


M. Christopher, R. Lowson and H. Peck *Creating agile supply chains in the fashion industry*, (International Journal of Retail & Distribution Management, 1 August 2004, Vol. 32 No. 8, pp. 367-376) [https://doi.org/10.1108/09590550410546188](https://doi.org/10.1108/09590550410546188)


WeConnect International, *WeConnect International Activity in Turkey 2019* https://weconnectinternational.org/images/IndPDFs/Turkey.pdf

https://openknowledge.worldbank.org/bitstream/handle/10986/32639/9781464815324.pdf?sequence=10&isAllowed=y

### Annex: Existing free trade agreements with Turkey that include the words women or gender, or are gender-positive

<table>
<thead>
<tr>
<th>Country</th>
<th>Current Signatories</th>
<th>Specific References to Textile, Cloths and Gender</th>
<th>Agreements containing the words gender, women or and</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU - Turkey</td>
<td>Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Turkey.</td>
<td>Article 1.</td>
<td>NO</td>
</tr>
<tr>
<td>Economic Community</td>
<td>Iran, Pakistan, Turkey</td>
<td>Protocol II. Without prejudice to the provisions of Article 2(a), products shall be considered as originating in Turkey if such products are obtained from intermingling materials originating in Switzerland (including Liechtenstein) and Turkey, Turkey and the European Community. Products shall be considered as having undergone substantial processing or working in Turkey in accordance with the provisions of this Agreement and in conformity with Article 2(a), of the EAGA and the other multilateral agreements to which in good faith it is a party and the Agreement relating to the EEC (1975) etc. HS codes of textile products in Chapter 51 and 52 (not current in 2019).</td>
<td>NO</td>
</tr>
<tr>
<td>EFTA - Turkey</td>
<td>Ireland, Liechtenstein, Norway, Switzerland, Turkey</td>
<td>Agreement. The Parties shall mutually establish a free trade area or substantially free trade between them in a transitional period lasting 15 years and for a period of 5 years shall engage in the negotiation of a customs union in accordance with the provisions of this Agreement and in conformity with Article 8, of the EAGA and the other multilateral agreements to which in good faith it is a party and the Agreement relating to the EEC (1975) etc. HS codes of textile products in Chapter 51 and 52 (not current in 2019).</td>
<td>NO</td>
</tr>
<tr>
<td>Egypt - Turkey</td>
<td>Egypt, Turkey</td>
<td>Agreement.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Armenia</td>
<td>Armenia, Turkey</td>
<td>Article IV: Customs duties on imports into Armenia of goods originating in Turkey, which are listed in this Annex, shall be progressively reduced to 0% on 1 January of the year following the entry into force of the Agreement, the remaining import duties shall be abolished, --- references to be included as it. Not in force currently.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Austria and Hungary</td>
<td>Austria and Hungary, Turkey</td>
<td>Agreement. The provisions of this Chapter shall apply to products in Chapters 25 to 29 of the Harmonized System Classification and Coding System of the Party (for the manufacture of manufactured textile fibres).</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Georgia</td>
<td>Georgia, Turkey</td>
<td>Agreement. The products mentioned in the list may not be all covered by the Agreement. --- references to be included as it.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Moldova Republic of</td>
<td>Moldova, Republic of</td>
<td>Article III: Customs duties on imports applied by Moldova on goods originating in Turkey, which are listed in this Annex, shall be abolished in accordance with the timetables derived below, --- references to HS codes of textile products (not current in force).</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Montenegro</td>
<td>Montenegro, Turkey</td>
<td></td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - North Macedonia</td>
<td>North Macedonia, Turkey</td>
<td>Agreement. &quot;All quantitative restrictions on imports and measures having equivalent effect that shall be abolished between the Parties upon the date of entry into force of this Agreement. The measures that are covered by the Memorandum of Understanding between the Government of Macedonia and the Government of Turkey signed on 27 October 1993 are subject to the provisions of this Agreement.&quot; Trade in textile products falling within Chapters 26 to 65 of the Harmonized Classification and Coding System between Turkey and Macedonia shall be covered by the Provisions of this Agreement.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Pakistan Authority</td>
<td>Pakistan, Turkey</td>
<td>Article I. &quot;If the Wilmington textile contract was made in cotton yarn and heating its 5075 and synthetic yarns of heating its 5075 then obviously the same was used to separate basic textile materials and the cotton textile fabric is accordingly not affected by this agreement&quot;. Agreement. The provisions of this Chapter on duties to products originating in Turkey are applied to products originating in Turkey as per the Harmonized System Classification and Coding System with the exception of the products listed in Annex I of this agreement.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Serbia</td>
<td>Serbia, Turkey</td>
<td>Article II: Agreement. The provisions of this Chapter shall apply to products originating in the Parties falling within Chapters 28 to 65 of the Harmonized Classification and Coding System with the exception of the products listed in Annex I of this Agreement.</td>
<td>NO</td>
</tr>
<tr>
<td>Turkey - Syria</td>
<td>Syria, Arab Republic of, Turkey</td>
<td>Article II: Agreement.</td>
<td>NO</td>
</tr>
</tbody>
</table>