

No updates have been made to the content of this book, first published in Turkish in 2018, then in English in 2020. Conversations with academics about issues discussed in the book are available to readers in digital format and can be accessed via the QR code in the introduction to each chapter or at www.aripinthesea.com/conversations

*Dedicated with gratitude to the memory of
my father
Nejat Eczacıbaşı
and
my mother
Beyhan Eczacıbaşı*

TABLE OF CONTENTS

PREFACE TO THE ENGLISH EDITION

008

FOREWORD

I'm in Business...

012

INTRODUCTION

"Got to Do Something..."

018

CHAPTER ONE

At the Helm of Business

036

On Balance

037

The 75-year Story of a Family Business

040

CHAPTER TWO

Doing Business in a Turbulent Economy

060

Facing the Storm

061

Persistent Problems, Timeless Solutions,
and New Approaches

065

CHAPTER THREE

Business and the Future of Our Planet

084

On the Pale Blue Dot

085

The Goal of Our Century: Sustainability

088

CHAPTER FOUR

Businesspeople as Social Leaders

110

The Toughest Test of All

111

Let a Thousand Flowers Bloom

114

CHAPTER FIVE

Greatest Treasure, Greatest Challenge: Our Culture

134

Deep in Our Hearts and Soul

135

Turkey's Potential in the Rising Era of Culture

138

CONCLUSION

The Coming Generations Are Really Coming

164

NOTES

182

ACKNOWLEDGEMENTS

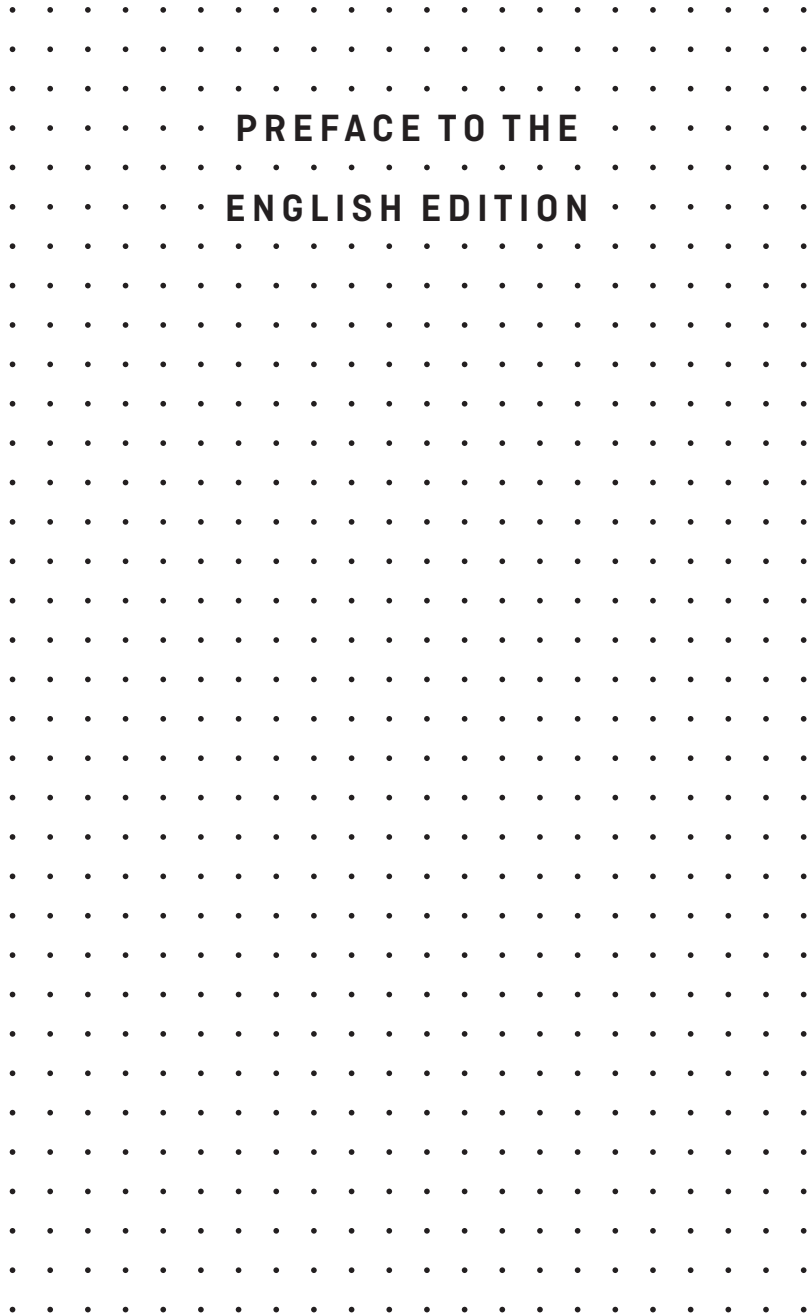
198

TIMELINE

201

INDEX

220



PREFACE TO THE
ENGLISH EDITION

For young people with an interest in business, even at a time when a global health crisis puts everything in unfamiliar light, the stories of the pioneers of Turkish industry offer many lessons. Perhaps, as the world recovers from the COVID-19 pandemic, the observations in this book will inspire new ways forward. Turkish entrepreneurs overcame huge challenges and a great scarcity of resources to build their companies in the early decades of the Republic. As they struggled to keep their businesses afloat amid the highs and lows of Turkey's developmental journey, some were able to adapt effectively, enter world markets, go public, and evolve into large corporations. Others, however, succumbed to the perils of business. For the companies that remained in family hands, virtually all experienced the succession pains that accompany the handover from one generation to the next.

My father, Nejat Eczacıbaşı, was among the most important members of this generation. During the Second World War, his ventures laid the foundations for Turkey's ceramics and pharmaceutical industries. Through investments in a variety of other fields, he gradually expanded his business while simultaneously establishing numerous associations and foundations in education, the arts, and science. When he died in 1993 at the age of 80, after a long and very successful business career, he was one of the best-known societal leaders of his generation. After his death, my brother, Faruk, and I took on the leadership of our family business. Now we are preparing to transfer our duties to the next generation.

I wrote *A Rip in the Sea* to pass on to younger generations what my 45 years in Turkey's business community can reveal about the changing responsibilities of businesspeople. While much of the analysis focuses on Turkey's recent history and economic environment, the English version was prepared with the idea of reaching readers from other countries, too. My hope is that this exploration of pivotal changes in Turkey will provide unique insight into a rapidly changing global order.

Inspired by my professional and personal experiences, the book includes recollections of events that I believe enrich the analysis. But the inclusion of these experiences does not make this an autobiography or a memoir. Instead, my aim is to analyze the responsibilities of businesspeople under five main headings: family firms and management, the economy, sustainability, civic engagement, and culture and the arts.

This book is not an academic study, yet it benefits greatly from the analyses of academia. In the Turkish version of the book, each chapter begins with a short introduction to the topic, followed by a conversation I held with two academics from the field under discussion. The chapters conclude with my comprehensive review and evaluation of the issues discussed. Giving ample space to the views of specialists counters the growing scorn for expertise prevalent in many parts of the world. Equally important, the experts' views present the reader with a broader perspective than my own and illuminate the book's discussions. To keep the English version of the book more succinct, I chose to place the conversations on the book's website. Interested readers will find the full-length conversations in English at www.aripinthesea.com.

Naturally, rapid changes are taking place both in Turkey and around the world, most notably the onset of the COVID-19 pandemic as the English version of this book goes to press. Some data in the book have no doubt become outdated, and several discussions may have lost some pertinence during the time it took to publish the English version. In the chapter about sustainability, for example, my attempts to persuade readers of the serious consequences of climate change may seem like old news. In the few years between when I wrote those paragraphs and published this book, the world has witnessed a greater number of environmental disasters, and temperatures have continued to reach new heights in regions around the world. Ever more alarming scientific reports have been published about the magnitude of threat posed by climate change. With every passing year, this issue moves closer to the top of the global agenda. Yet some things don't change: Our destiny remains in the hands of some leaders who don't believe an increasingly warming planet represents a great threat to life. Or, if they do recognize the gravity of the situation, they appear to have no intention of doing anything about it. We can only extrapolate what our new responsibilities might be as we weather and recover from the pandemic. Preserving a livable planet will remain a priority.

The founders of Turkish industry, who largely inspired this book, always looked to the future with great optimism. In their view, a gradual increase in production meant unemployment would fall and the prosperity and educational level of our nation would rise, steadily closing the

gap between Turkey and developed nations. The lessons of recent world history seemed to have brought the era of global warfare and economic crises to an end. With peace spreading throughout nations, global trade would flourish and unforeseen advances in science and technology would propel us into an era of well-being never before seen in human history. The gulf between developed and developing countries would disappear. They knew this process wouldn't be easy, of course, and that there were major difficulties to overcome: finding the resources necessary for development, ensuring political and economic stability, determining the foreign policies that would enable Turkey to take its rightful place on the world stage. And perhaps more than anything else: education.

Today, these issues are no less pertinent, but time and changing circumstances have added to the list. Our point of view has also changed: As businesspeople, we more readily see the world's problems as our own. Businesspeople occupy a key position at this critical juncture in the world's future because they have the capacity either to facilitate or to obstruct the solutions. The emerging need for shared problem solving is among the reasons I see "new responsibilities" for business.

Despite the many challenges, we must not lose the sanguine outlook our parents passed on to us. We look to the future with tremendous optimism, even in the face of true adversity, and will do so as long as we never lose the courage to stare reality in the face. Regardless of the influence of "alternative facts," let's ensure we maintain our most fundamental freedom, which is – as George Orwell reminds us in *1984* – "the freedom to say that two plus two make four."

A note on language: Turkish spelling uses diacritical marks to distinguish different ways to pronounce letters of the alphabet. For example, our family name, Eczacıbaşı [ɛdʒza:dʒəba'ʃə], has the unaccented "ı" vowel without the dot and the "ş" that sounds like "sh." Except in cases where a Turkish word is common parlance in English, like Istanbul or Izmir, we have maintained Turkish spelling for names and words that appear in the book.

March 22, 2020

B Ü L E N T E C Z A C I B A Ş I

FOREWORD

I'm in
Business...

So, What Do I Do?

What would you think if I said I'm a "businessman"?

Could you guess what I do for a living?

Am I someone who invests large sums, manages companies and factories, and creates jobs for many? Or a loafer with nothing to do and not much to say?

What assumptions would you make about my education? A university degree, perhaps? How cultured would you think I am?

Do you see what I do as an actual job?

Do you warm to me, even trust me?

In all likelihood, you would not reply favorably to some of those questions. Perhaps that's why people rarely introduce themselves as a "businessman" or "businesswoman." Instead they might use a title to highlight the managerial aspect of what they do, like the "chairperson of X Company," for instance. A "real" profession like engineer, doctor or lawyer might be added for good measure.

I was unable to find the category of "businessperson" in the International Labour Organization's International Standard Classification of Occupations.¹ Granted, "business" is equated with "management" or an area of occupation rather than a profession in its own right, but all the same, these lists do include broad categories, such as member of parliament, general manager, astrologer or mayor.

Research suggests further inconsistencies: Businesspeople rank high in prestige, but low in morals and ethical values. Regarded as amoral on the whole, with their prestige attributed solely to their wealth, they are viewed as go-getters who know how to make money. Greed and cunning are often associated with businesspeople, as is a talent for circumventing the law and any rules and regulations that stand in their way.

Businesspeople Know Everything

Despite negative stereotypes, society's expectations of people in business are inordinately high: Drive the economy, invest heavily, solve unemployment, export and create foreign exchange reserves, release new technologies, and undertake projects that enrich society. High profile

business leaders face a range of demands, from finding solutions to the country's problems – in education, healthcare, and everything in between – all the way to active involvement in foreign relations and even politics. "They know how to make money, so of course they can handle politics," seems to be the widely held view.

Our reluctance as business leaders to admit when we don't know something might well be a factor here. How could we expect anyone to trust us, buy our products, or work for us if we ever conceded we don't know everything? We're ready to comment at the slightest opportunity, and to go on at some length, as you will see in this book!

Yet the more we say, the more questions we are faced with. We are readily handed the microphone along with an ever-increasing set of expectations. For our part, we continue to talk, write and give our opinions as if we were experts in every subject.

Throughout my career, I have witnessed this burden of expectation on business again and again. There's one instance from my time as a board member of the Turkish Industry and Business Association (TÜSİAD) that still makes me smile: I had flown to Paris for a meeting in the late 1980s, and when I returned to my hotel there was a message from a leading Turkish journalist, eager for a return call. An unforeseen fault in the Soviet Union's Soyuz spacecraft was threatening the lives of the cosmonauts aboard. He wanted to know how they could safely be returned to Earth. The thinking was probably, "If the directors of TÜSİAD don't know what to do, who does?" I was tempted to launch importantly into a reply – "Well, it's essential to make a plan, first and foremost, and to exercise extreme caution..." I might have talked myself into thinking I knew all about the subject at hand.

But that could have easily led to delusions of expertise I did not possess. With such high expectations, it's clear we've got our work cut out for us.

"Mahmut the Loafer"

When I was contemplating what to do with my life in my late teens, the 1968 generation was running riot around the world. It was a time when businesspeople (or "businessmen" as they were known then, a generic label that lingers on) were broadly held in low esteem – lower even than

now. Back then the stereotype, perpetuated in Turkey by the likes of actor Hulusi Kentmen or caricaturist Bedri Koraman, was of a man puffing away at a cigar above an enormous paunch, banknotes straining his pockets.

The younger generation looked at world affairs and the problems of Turkey through a leftist and often revolutionary lens, which was made trendy by the 1968 movement. It was essential to read “in” books and listen to “in” music: You had to read Sartre, enjoy Brecht, adore Turkish political poet Nâzım Hikmet, and listen to Joan Baez and Bob Dylan. There was no need to actually read *Das Kapital* because it was assumed you already had; even a passing acquaintance with its lingo was enough to pass yourself off as *au fait* with Marxist theory. Being an “intellectual” was virtually synonymous with being a “leftist.” Businessmen were “capitalists,” “baddies,” “fat cats” who grew rich by exploiting the masses, ridiculed if not regarded with outright contempt by young people. The best and least evil businessman was the one who did nothing at all.

In my younger years, my friends and I used to come up with our own stories for fictional characters. They loved books, like me, and on one occasion, a friend read aloud to us from a famous Orhan Veli poem, “Mahmut the Loafer.” He asked us to guess the narrator’s job:

*This is the work I do:
I paint the sky every morning,
While you’re all asleep.
You wake up and see it’s blue.*

*Sometimes there’s a rip in the sea,
You don’t know who sews it together;
I do.*

My friend gave us a few choices: Was the narrator a decorator, an artist, a businessman, or a swindler? The meaning behind his question was clear, and the answer unanimous: businessman!

Derision of the “do-nothing” businessman was common at the time. My more sensitive friends would say to me:

“Come on, Bülent, don’t take it personally.”