



# THE UNTAPPED POTENTIAL OF SUPPLIER DIVERSITY IN TURKEY

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## Preface & Acknowledgements

This research brief aims to provide an understanding of supplier diversity and its global applications, including to refugee inclusion, specifically in Turkey where Building Markets implements a program to support local SMEs, primarily Syrian-owned companies, to promote job creation for refugees and host communities.

The lead author and researcher of the report is Selen Ucak, Program Director, Middle East, at Building Markets, with support from Zonglong Chen, Data Analysis Statistician and the Building Markets Turkey team. The research has relied on desk research, interviews with local and international companies and with research and advocacy organizations in Turkey and the United States, conducted between February and April 2021, and data collected from over 2,000 verified SMEs by Building Markets since 2016. Building Markets appreciates all stakeholders who participated with their insights and data in this research.

The list of supplier diversity programs highlighted in this brief is not exhaustive. Building Markets would like to hear from companies with supplier diversity initiatives in Turkey as well as refugee-inclusive procurement programs from around the world in order to showcase their strategies and impact as best practices for others looking to implement such programs as well as to support them with linkages to refugee-owned and refugee-employing suppliers. Please contact us at [newyork@buildingmarkets.org](mailto:newyork@buildingmarkets.org) with inquiries, and questions or comments on this report.

Building Markets creates jobs and encourages economic growth by finding, building and connecting competitive local SMEs to supply chains and investment. Since 2004, the organization has scaled its model to a dozen diverse markets where it has supported over 26,000 SMEs, assisted them in winning USD \$1.35bn in contracts, \$21m in loans, and helped create more than 70,700 full-time equivalent jobs. Building Markets is headquartered in New York City.

The photographs in this report were taken by Gate of Sun in 2020, a Syrian-owned company in Turkey. In cases where businesses were not available for photography, they made images available for Building Markets' use.

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## 1. INTRODUCTION

Supplier diversity is a global strategy and a powerful addition to the private sector's community impact toolbox around the world. Economic equality and sustainable, inclusive growth are only possible through job creation, and the creation of jobs for the most underserved communities requires greater opportunities for a diverse set of entrepreneurs.

According to the World Bank, small and medium-sized enterprises (SMEs) account for 90 per cent of businesses and more than 50 per cent of employment worldwide. Inclusion of local small businesses in value chains unleashes their power to create much needed jobs and eradicate poverty. This is why Building Markets has been working with local SMEs and facilitating their growth and integration in supply chains since 2004. Building Markets' "buy local" strategy, aimed at creating economic opportunities for local SMEs in a dozen diverse markets, led to \$1.35bn contracts and over 70,700 jobs. Pursuing supplier diversity, i.e., expanding local vendor pools with companies owned by women, minorities, refugees, and other underserved and underutilized entrepreneurs, has the potential to make the resulting economic development dividends more equitable. Interest in expanding domestic supplier diversity programs to new markets is increasing. A 2019 study on supplier diversity programs found that 29 per cent of 450 respondents had global supplier diversity programs and 44 per cent were planning to establish one, as compared to 23 per cent and 28 per cent the year before, respectively.<sup>1</sup> Another recent research shows that 40 per cent of companies with supplier diversity programs plan to expand them globally in the next 2-3 years.<sup>2</sup>

Diversity and inclusion are approaches rooted in the United States, where they have been an important focus for corporations in recent years. This has been made even more urgent by the growing awareness and call to action about gender inequalities and racial injustice. Over a third of Fortune 500 companies now have an executive position dedicated

to diversity and inclusion.<sup>3</sup> Diversity and inclusion practices take into consideration women, Black, LGBTQ and other minority members of the workforce that have been traditionally disadvantaged in hiring and excluded from leadership roles. By becoming more diverse and inclusive, companies are looking to increase their quality of recruitment and retention, while strengthening their brand equity with consumers, innovation, and community impact. In fact, diversity and inclusion goes beyond the workforce and includes a company's supply chains and procurement practices. Supplier diversity programs, or inclusive procurement, which extend equal opportunities to underutilized suppliers from diverse communities, date back to the Civil Rights movement in the United States, eventually becoming a requirement in federal contracts.<sup>4</sup> According to the National Minority Supplier Development Council in the United States, "certified Minority Business Enterprises generate \$400 billion in economic output that lead to the creation or preservation of 2.2 million jobs."<sup>5</sup>

**A diverse supplier is a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group.<sup>5</sup>**

Building Markets has a long-standing program to support local SMEs in Turkey, primarily Syrian-owned companies, to promote job creation for refugees and host communities. This work leads us to conclude that Turkey presents a case for the untapped socio-economic potential of supplier diversity practices of local and international businesses in the country. This research brief outlines the benefits and challenges of supplier diversity, especially when practiced in new markets outside of the United States; explores the potential for supplier diversity in Turkey, including for impact on refugees, and how Building Markets' network of SMEs in the country and its services can support such programs; and makes recommendations.



**“An inclusive approach to supply chain is good procurement practice as it brings transparency to the process, opens up new and different options, brings innovative ideas, products and solutions to the supply chain and in most cases, keeps your supply chain competitive.”**

– Mayank Shah, Founder & CEO, MSDUK<sup>6</sup>

## 2. BENEFITS OF SUPPLIER DIVERSITY

**Bottomline gains:** Buying locally and inclusively from diverse suppliers can lead to increased competition and cost savings, benefitting a company's bottom line. Companies with supplier diversity programs report increased profitability, as high as a 133 per cent return on procurement investments.<sup>7</sup> As a Wharton Magazine article argues, “for many companies, total external purchases represent a third of total revenue. That means every purchasing dollar saved falls directly to the bottom line; for a billion-dollar company, it could represent a 14 per cent increase in earnings. This is before considering the additional benefits (reputation, loyalty, innovation, new market access, etc.) associated with a more inclusive network of suppliers.”<sup>8</sup> Furthermore, a survey of companies conducted by the Hackett Group has found that 10 per cent of their sales come with supplier diversity requirements, an absence of which would mean lost revenue.<sup>9</sup>

**Innovation and flexibility:** Well-established suppliers, especially those that have been in a company's supply chain for a while, may be less adept at responding to new business needs. Underutilized and diverse suppliers tend to be smaller, more agile, and able to respond to customization requests. In addition, with a deep understanding of their communities, they are able to offer unique market insights and product and service innovations to buyers. According to Jaseon Trimiew, Head of

Facebook's Supplier Diversity program, working with diverse suppliers, particularly smaller companies, add value because of the ability to deal directly with the entrepreneurs and decision makers.<sup>10</sup>

**Supply chain diversification:** The trade and supply chain disruptions resulting from COVID-19 have demonstrated the importance of supply chain diversification. According to a recent study, 64 per cent of U.S. and European companies experienced supply chain disruptions and resulting revenue losses, estimated to be up to \$4 trillion.<sup>11</sup> While supplier diversity and supply chain diversification are not the same, the former contributes to achieving the latter by expanding the pool of suppliers from a wide range of geographies, sizes, and backgrounds.

### **Corporate social responsibility and brand value:**

Research has shown that a company's demonstration of diversity and inclusion enhances brand loyalty and reputation, especially with younger consumers, as well as recruitment and retention of talent. According to the Tent Partnership for Refugees, “seventy-seven percent [of consumers aged 18-35 in Europe] are more likely to purchase from a brand that supports refugees in some way.”<sup>12</sup> Furthermore, increasing local procurement and contributing to a country's development goals has reputational value for international companies with local authorities and communities.

### **Benefits to suppliers, economy, and society:**

Increasing purchasing from diverse suppliers allows those businesses to retain and expand their payrolls, creating economic growth for underserved communities and overcoming gender and racial inequalities. Being able to tap into the supply chains of large companies exposes small and diverse businesses to new business practices and expands their capabilities to be able to grow. This also creates a virtuous cycle: diverse entrepreneurs who are able to access supply chain opportunities and grow their businesses also serve as role models for others, promoting entrepreneurship and further job and value creation in their communities.

### 3. CHALLENGES OF SUPPLIER DIVERSITY

**Identifying qualified local suppliers in the desired categories:** Buyers need access to a pool of suppliers that can quickly and in a cost-effective manner meet their purchasing needs. For supplier diversity programs to work effectively, companies need partners and intermediaries that can introduce them to such qualified suppliers in an efficient manner and provide the certification necessary to meet diversity requirements. In the United States, where supplier diversity programs are most prevalent, there are well-defined categories of diverse suppliers,<sup>14</sup> along with certifying and advocacy organizations that can serve companies looking to increase the diversity in their supply chains. In new markets for supplier diversity, this can be considerably harder. Reliable local supplier data are hard to come by, and the available business directories may not reflect a diverse pool. Language and cultural barriers may also pose additional challenges to establishing relationships with new local buyers.

**Resources for supplier development:** Commitment to supplier diversity and purchasing from local, small, and underutilized businesses may require investment in supplier capacity development, which can be a challenge to execute in an international market. Advocacy organizations for various categories of suppliers, and national resources for local SME development, can fill in the gaps to advance the capabilities of suppliers to meet larger buyers' needs.

**Buy-in across the company:** The diversity and inclusion agenda, including supplier diversity, needs to be championed by a variety of departments as a part of a corporate strategy, going beyond purchasing or sustainability. This is further complicated by the buy-in and coordination required from country leadership and procurement teams.

**Tracking the socio-economic impact of supplier diversity programs:** Companies need more than individual success stories or output metrics such as

**"Women account for over \$20 trillion in spending per year and are involved in over 80 percent of consumer purchasing decisions worldwide. However, globally women-owned businesses earn less than 1 percent of the money spent on vendors by large corporations and governments."**

- Elizabeth A. Vazquez,  
CEO and Co-Founder, WEConnect International<sup>13</sup>

dollars spent with diverse suppliers to measure and communicate their impact on the communities where they operate. Local economic impact of procurement such as the number of new businesses introduced to supply chains and jobs created can be powerful in building support for supplier diversity, especially in an international market. For example, in 2019, UPS's purchasing from 5,400 small and diverse suppliers created 12,000 jobs.<sup>15</sup> Yet, only 33 per cent of companies track the economic impact of their supplier diversity programs given the challenges in data gathering.<sup>16</sup>

#### **Applying supplier diversity to new markets:**

Supplier diversity efforts are not ready-made to fit all markets globally. Local customs and practices, as well as history, population, and social trends, will determine the diversity categories, local development needs, and economic and social justice priorities. This can be challenging for companies navigating new markets. Women-owned suppliers are typically the first crucial step for supplier diversity programs, as gender equity is a common gap in most markets, along with increasing the share of local SMEs in supply chains. While challenging, going beyond women-owned suppliers and broad local content will allow buyers to make additional social and economic impact.

## 4. THE CASE FOR SUPPLIER DIVERSITY IN TURKEY

With a population of 83.4 million and in GDP between \$8,600 and per capita in 2020, Turkey is an upper-middle-income country following economic reforms and increased employment and incomes since the early 2000s.<sup>17</sup> According to the World Bank, this performance has deteriorated over the past few years with “rising inflation and unemployment, contracting investment, and elevated corporate and financial sector vulnerabilities,” and more challenging external conditions such as geopolitical tensions. The country has made significant progress towards Sustainable Development Goals, focused on reducing poverty, improving access to basic services, reducing inequalities and caring for the vulnerable.<sup>18</sup> Despite early and extensive economic measures, COVID-19 has exposed the vulnerabilities in the economy for women and youth. Ongoing restrictive measures threaten to worsen inequalities and unemployment. Over 15 per cent of the total population is aged 15-24, with youth unemployment rate over 25 per cent, nearly double the overall unemployment rate.<sup>19</sup> Rapid mechanisms to support SME job creation are clearly needed.

Gender equity is another persistent gap in the Turkish economy. The labor market participation rate is 34 per cent for women, compared to 72 per cent for men,<sup>20</sup> and women represent only less than 10 per cent of the entrepreneurs in the country, according to KAGIDER (Women Entrepreneurs Association of Turkey). A recent research by UNCTAD has shown that multinational corporations can have an important local impact through the transmission of corporate policies that promote gender equity, and that supply chain links with local firms is one of the main transmission mechanisms especially by promoting supplier capacity building.<sup>21</sup>

There are 3.5 million active small and medium-sized (SMEs) in Turkey, which, according to local definitions, includes companies with fewer than 250 employees. SMEs represent 99.8 per cent of all registered entities, 62 per cent of the country's GDP, and 73.5

per cent of its workforce.<sup>22</sup> Training support, greater digitalization, and access to supply chains and investment are necessary to keep the SME sector strong and promote their job creation capability, especially in regions with high unemployment rates and local development needs.

Turkey is the host to the largest refugee population in the world, with 3.7 million Syrians having been displaced to the country since the Syrian war started ten years ago.<sup>23</sup> Most of the southern provinces in Turkey suffer from high levels of unemployment and host large shares of refugees in their populations. Syrians in Turkey have started more than 10,000 businesses, which present an opportunity for inclusive procurement and a solution to reducing unemployment through job creation. The opportunity to increase procurement from refugee-owned and/or refugee-employing suppliers could be addressed by public and private sector commitments and strategies. Refugee entrepreneurs could bring to bear their savvy, innovations, resilience, regional networks, manufacturing methods, and potential to make an important contribution to an acute need for livelihoods in Turkey.

The Turkish economy, despite COVID-19 and economic challenges, continues to attract high levels of foreign direct investment (FDI), and is the 15th most attractive destination for FDI in the world, receiving 160 investments in 2020 alone.<sup>24</sup> The long-standing presence of multinational companies in Turkey and the growing international operations of large Turkish corporations bode well for the proliferation of inclusive procurement, along with workforce diversity and inclusion, sustainability, and other corporate citizenship practices. In fact, there are a number of supplier diversity initiatives already underway in Turkey by local and international companies (see table below for a select few). These initiatives, mostly focused on local small businesses and women suppliers, demonstrate the Turkish private sector's growing interest in using the power of

purchasing to support local economic development. There is nonetheless an untapped potential for expanding such programs, increasing awareness about supplier diversity strategies, advocating for supportive legislation (such as KAGIDER's work on

public procurement from women-owned suppliers), and expanding the definition of diversity to include refugees and migrants, as well as other disadvantaged and less visible suppliers applicable to Turkey.

**TABLE: Select Supplier Diversity Initiatives in Turkey**

Company	Diverse Suppliers	Description and Impact
<b>Boyner Group</b>	Women-owned suppliers	Starting in partnership with IFC in 2015 and now continuing in collaboration with KAGIDER (Women Entrepreneurs Association of Turkey), Boyner Group, one of the leading retailers in Turkey, is working on increasing the number of women-owned suppliers in apparel retail ecosystem by providing them training and mentorship support and a chance to sell on the Group's e-commerce platforms.
<b>LimakPort Iskenderun</b>	Local suppliers	LimakPort Iskenderun, an investment of Limak Group of Companies, has local procurement among its sustainability priorities. By purchasing one third of the goods and services it needs from SME suppliers located in Iskenderun and the environs, LimakPort aims to contribute to the economy of the region.
<b>Barilla</b>	Local farms	Barilla, the Italian family-owned food company established in 1877, is an international group present in more than 100 countries. Barilla has an extensive global supplier diversity program and states that "continuing to promote and increase the participation of diverse businesses allows Barilla to further drive innovation, deliver the highest quality products and grow local economies. These unique viewpoints and skills also fuel our ability to give back to society in meaningful ways." In Turkey, where the company is a leading producer of pasta, Barilla has been working with local farms for its entire durum wheat supply.
<b>H&amp;M</b>	Refugee-employing suppliers	H&M Group has a commitment to inclusive business in Turkey by collaborating with 40 textile factories in Turkey for the employment of foreign workers to strengthen inclusion and diversity approach; support the designing of vocational hubs in 2 textile factories for the sustainable workforce to integrate foreign workers in the textile sector, and support suppliers to hire 2000 foreign workers in total and integrate them into the Turkish labor market by 2025.  <i>Source: Business Call to Action: <a href="https://businesscalltoaction.org/member/hm">https://businesscalltoaction.org/member/hm</a></i>



## 5. BUILDING MARKETS' DIVERSE SUPPLIER NETWORK IN TURKEY

Building Markets, with its network of more than 2,200 verified SMEs in Turkey, offers a critical resource for national and international corporate buyers looking to implement a supplier diversity strategy in the country. In addition to providing buyers with a pipeline of verified suppliers, Building Markets' training and advisory services support these SMEs and diverse suppliers in meeting buyers' criteria and in fulfilling their contracts successfully. Building Markets also serves as a partner to buyers in measuring their economic development and job creation impact for the targeted communities.

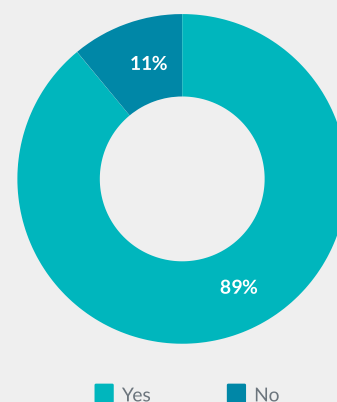
### Suppliers with impact on refugee employment

Creating pathways for employment for refugees is an important economic and social outcome for host communities in order to reduce dependence on aid and increase refugees' contributions to the local economy. Eighty-nine per cent of Building Markets' SME network in Turkey say that they have refugee employees, in addition to creating jobs for host communities. Suppliers owned by Syrians in Turkey, which constitute over 90 per cent of Building Markets' network, are more likely to hire refugees, based on cultural fit, networks, and capabilities needed such as Arabic language skills. Corporations that have a social impact interest and commitment to increase refugee employment can achieve this goal by integrating Syrian-owned and other refugee-employing SMEs in supply chains. These SMEs not only have refugees on their payroll, but they also have a tremendous impact on creating new employment opportunities for them: Fifty-seven per cent of Syrian-owned SMEs surveyed by Building Markets say that the majority of their employees were previously working in the informal sector and an additional 21 per cent say that they were previously unemployed. These suppliers are important to include in supply chains not only as diverse suppliers in Turkey with migrant and refugee Syrian ownership, but also because they are providing employment to those who struggle to participate in the labor market otherwise. In other words, they are prime candidates for a buyer's "impact sourcing" efforts (see text box).

**Impact Sourcing** is a business practice where a company prioritizes suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment. Impact Sourcing has been shown to provide many business benefits, for suppliers, including access to new sources of talent, higher levels of employee engagement, and lower attrition rates, while offering employees their first step onto a career ladder that leads to economic self-sufficiency through income growth, skills development and professional advancement.

Source: Global Impact Sourcing Coalition:  
<https://gisc.bsr.org/>

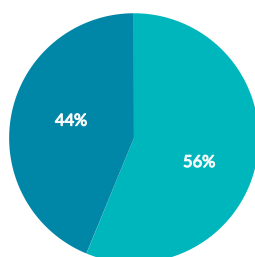
### Suppliers Employing Refugees



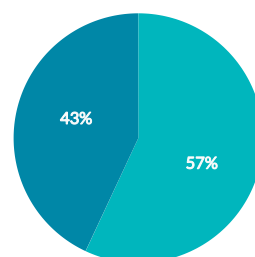
## Suppliers with impact on entrepreneurship opportunities for refugees

In addition to hiring refugees, Syrian-owned SMEs in Turkey also have a significant impact on creating entrepreneurship opportunities for other refugees through their own supplier and distributor relationships. These Tier 2 suppliers<sup>25</sup> present another source of diversity and impact for corporate buyers in their supply chains. Over half of Syrian-owned SMEs in Building Markets' network in Turkey say that they have suppliers and distributors who are refugees.

Has Refugee Distributors



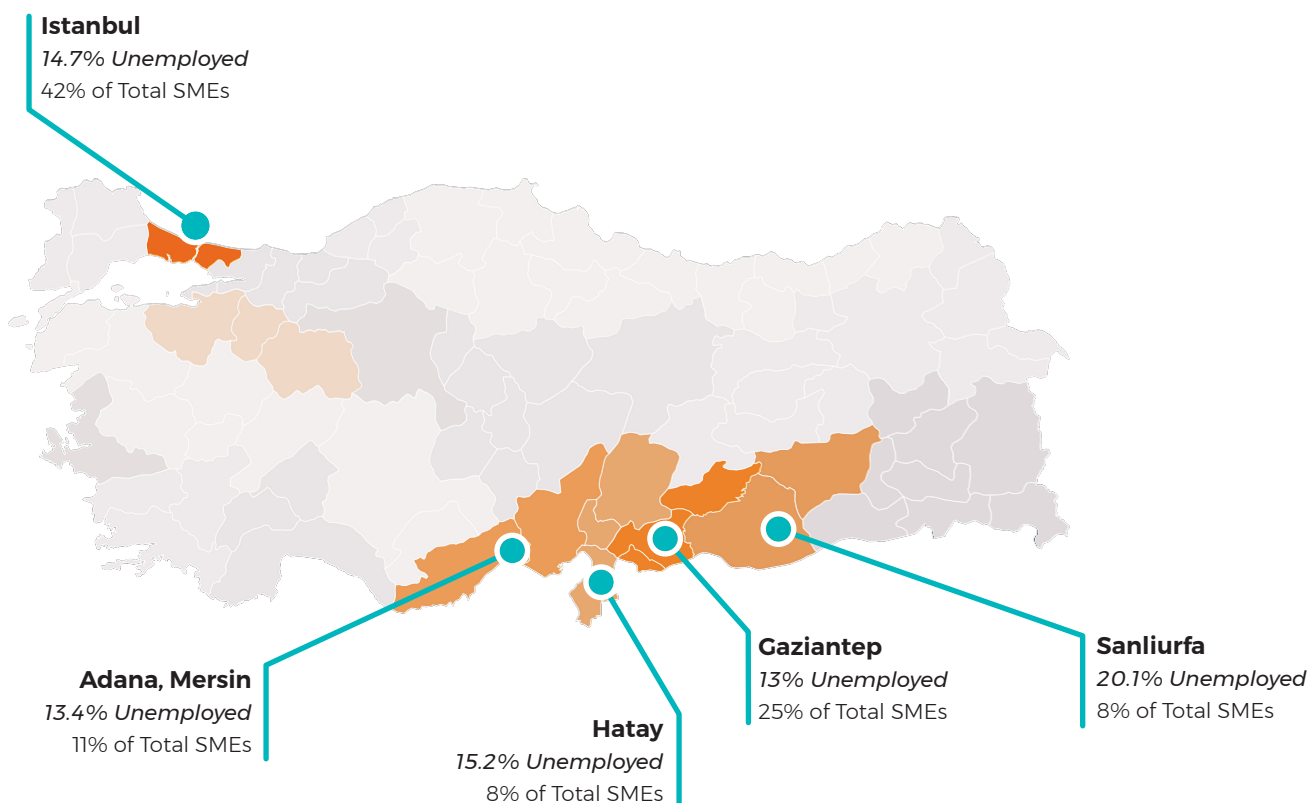
Has Refugee Suppliers



■ Yes ■ No

## Suppliers located in provinces with high unemployment

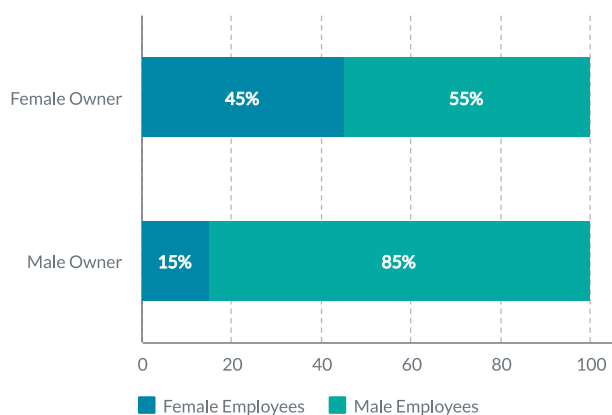
Most of Building Markets' SME network in Turkey is located in areas where unemployment rate is above the national average.<sup>34</sup> Of these, over 1,130 SMEs are located in Southern provinces, which is an opportunity to have an impact on inclusive employment for host community members and refugees, while contributing to reducing unemployment and poverty.



## Suppliers creating entrepreneurship and job opportunities for women

Building Markets' network of SMEs in Turkey includes over 60 companies with majority female ownership. While the share of women-owned suppliers in the overall network is small - reflecting Syrian and Turkish women's low entrepreneurship rates - these suppliers have a significant impact on creating job opportunities for women: 45 per cent of female-owned suppliers' workforce consists of women employees versus 15 per cent at companies where the primary owner is male. By working with these women-owned suppliers in Building Markets' SME network in Turkey, buyers have the chance to increase their impact on women's economic empowerment and inclusion.

### Suppliers Creating Employment for Women



**Saad Shweehnea, a Syrian refugee entrepreneur and owner of Saadplast, has a vision to be the top innovator in the plastics industry in the Middle East. Based in Gaziantep, his company develops closure solutions for tubes and bottles as well as other packaging and technical parts for the pharmaceutical sector. The company employs 40 people full time, including 10 women and refugees.**<sup>35</sup>



**Amal Shammaa, a Syrian refugee entrepreneur, is the owner of Tat Global, a leading manufacturer of Turkish delight and other traditional sweets in Gaziantep. The company is also a wholesale and retail distributor of legumes and pistachios. Of Tat Global's 6 full-time and 6 part-time employees, half are women.**<sup>36</sup>



**Twenty years ago, Abdulghani Bakkour founded Taiba Packaging Machinery. After the war started in Syria, he established his company in Adana. Taiba offers the best production solutions for packaging machines and lines specially designed for the food, chemical, and plastic industries. The company offers full-time employment to 24 people, including refugees, and exports products to countries such as Germany, Iraq, and Kuwait.**<sup>37</sup>

## REFUGEE INCLUSION IN SUPPLY CHAINS

How can supplier diversity and inclusion practices be applied to extend economic opportunities for displaced people in one of the most protracted issues of our time? Directly employing refugees is a commitment multinational companies are increasingly making. Studies show that consumers in Europe and the United States are in favor of a variety of ways that brands can support refugees, including hiring, supporting refugee businesses, and serving refugees.<sup>26</sup> This is especially true for brands with a significant proportion of millennial consumers, female consumers or consumers of color.<sup>27</sup>

**“Connecting refugee-owned or refugee-employing SMEs to global supply chains can grow their businesses and increase their social impact. This is especially true for refugee business owners who tend to hire other refugees and can help to bring refugees into the formal sector.”**

*Tent Partnership for Refugees & Center for Global Development<sup>28</sup>*

Supply chain strategies that increase opportunities for refugees throughout global value chains are rarer. The Tent Partnership for Refugees, a global business network of over 140 major companies committed to integrating refugees, recommends that “companies encourage their suppliers and vendors to hire refugees, or commit to sourcing from businesses which employ refugees.”<sup>29</sup> As a good example of this practice, in Jordan, IKEA is providing employment for both local and refugee women who make traditional handcrafted textiles and other products. The Tent Partnership features significantly more companies that have made commitments to hiring and training refugees than to supply chain inclusion, indicating significant room for growth if additional resources and support for both buyers and suppliers are made available.

### What stands in the way?

Refugee-owned suppliers are harder to identify, and adding a new category of suppliers to a supplier diversity program can prove challenging without partnering with intermediary organizations that can provide a pipeline of qualified suppliers. Local perceptions of refugees and political trends, especially given the economic pressures and high unemployment rates in most host countries, also play a role. Companies may be reluctant to procure from refugee or migrant-owned suppliers to avoid perceptions that they are replacing host community suppliers, which could lead to backlash from consumers and local authorities. In addition, companies require internal policies, audit procedures, and close relationships with their local suppliers to ensure that the employment of refugees throughout their supply chains meets international fair labor standards, which can be challenging as international garment brands producing in Turkey and elsewhere have experienced.<sup>30</sup>

In addition to Tent’s resources, there are other global efforts to provide guidance and best practices to the private sector on economic integration of refugees, including in supply chains. The Private Sector for Refugees (PS4R) initiative, led by the International Chamber of Commerce, The World Bank Group, and others from development finance, humanitarian, and the private sectors since 2019, is one of them. The PS4R *Charter of Good Practice* recommends principles for promoting entrepreneurship, making investment, increasing employment, and offering services and products for refugees that the private sector and policy makers can apply.<sup>31</sup> As another resource, The World Refugee & Migration Council and Institute for Canadian Citizenship are developing a set of corporate social responsibility principles in collaboration with companies committed to refugee inclusion.<sup>32</sup> Supply chain diversity and supplier certification are among the principles advocated to ensure adherence to high standards in refugee employment and responsible sourcing when partnering with suppliers led, owned, or operated by refugees.<sup>33</sup>



## RECOMMENDATIONS & CALL TO ACTION

For foreign direct investment and corporate activity to benefit local communities to their fullest extent with economic development dividends and much-needed jobs, including for disadvantaged parts of the population, procurement and inclusive supply chains are a powerful tool in Turkey as it is elsewhere, as Building Markets has advocated and demonstrated in nearly a dozen markets since 2004.

Turkey with its market size, manufacturing capacity, and young and well-educated population is an economy that has the potential to meet Sustainable Development Goals in partnership with the local and international private sector. Gender equality, decent work and economic growth, and reduced inequalities depend on the participation of a more diverse set of suppliers to give opportunity to businesses that remain less visible to large buyers but have much to contribute. As the largest host to refugees in the world, job creation is necessary for economic stability and social cohesion in Turkey. This makes supplier diversity programs that are inclusive of refugees a high-impact private sector contribution. However, there is additional research and cross-sector collaboration needed in order to facilitate progress. Building Markets recommends the following actions to increase the prevalence and impact of supplier diversity programs in Turkey:

### **Corporate Buyers:**

- ▶ Include refugees, women, youth entrepreneurs, and other underrepresented communities, including those operating in regions of underdevelopment and high unemployment, in supplier pools.
- ▶ Prioritize local procurement, especially when investing in regions that need economic development support.
- ▶ Partner with NGOs, advocacy organizations, local chambers, and others that have a close relationship with these suppliers. These actors, as a part of their mandate to promote local development and foster entrepreneurship, can support buyers in supplier development and compliance.
- ▶ Have a longer view of supplier development that goes beyond short-term needs and takes into account sustainability, supply chain resilience, and innovation.

- ▶ Establish procurement firmly in your company's sustainability, corporate social responsibility, and social impact toolbox: beyond philanthropy, one of the most powerful ways a company can positively affect a local community is to do business with and help grow the job-creating entrepreneurs in those communities.
- ▶ Make data-driven decisions in partnership with organizations that track, verify, and certify businesses.
- ▶ Ensure that diversity metrics and their business impact are well documented. Partner with supplier advocacy organizations to assess the economic and job creation impact of your supplier diversity initiatives.
- ▶ Extend diversity, equity and inclusion policies to Tier 2 suppliers and beyond.

### **Civil Society and Advocacy Organizations:**

- ▶ Advocate supplier diversity, including incentives for companies to work with diverse, small, and underutilized and disadvantaged suppliers by making it a part of public procurement requirements.
- ▶ Make supplier data easily accessible and include diversity and social impact metrics in business directories and membership records to respond to buyer demand.
- ▶ Highlight companies with supplier diversity programs as good corporate citizens in order to increase awareness of their benefits and to encourage other companies.
- ▶ Establish partnerships with buyers to help them in supplier identification, development, and compliance in order to support the inclusion of new suppliers.
- ▶ Support buyers in measuring the impact of their supply diversity programs by offering expertise to measure local economic data and extend credibility to outcomes.

### **SMEs:**

- ▶ Become informed about diversity definitions and requirements; participate in vendor calls by corporations with supplier diversity programs; and register with intermediary organizations to improve your visibility.

### **Public Sector:**

- ▶ Align public procurement requirements with development strategies and Sustainable Development Goals, by introducing policies that provide incentives for procurement from underrepresented entrepreneurs and offering training resources.

## ENDNOTES

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## THE UNTAPPED POTENTIAL OF SUPPLIER DIVERSITY IN TURKEY

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