

Status of Turkish Small Businesses and Their Business Continuity

– Following the Kahramanmaraş Earthquake of 2023 –

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Abstract

This is a brief report about a field investigation conducted on the business continuity of Turkish small businesses in the aftermath of the Kahramanmaraş Earthquake of 2023. The current status of Turkish companies and the industrial characteristics of the study areas, Adıyaman, Gaziantep, Hatay, and Kahramanmaraş, were reviewed. The major findings from the field investigation are summarized, and directions for future research are proposed.

Key words: Business Continuity, BCM, BCP, Small Business, Kahramanmaraş Earthquake, Türkiye

1. Introduction

The epicenter of the Kahramanmaraş Earthquake of 2023 was in southeastern Türkiye, an area largely comprising industrial complexes, which were severely affected by the earthquake. However, the effect of the earthquake on small businesses in the region and their recovery process have not been examined so far to understand their disaster preparedness and business continuity efforts.

This paper aims to address this gap and is a brief report about a field investigation conducted in March 2024 on the business continuity of Turkish small businesses in response to the Kahramanmaraş Earthquake of 2023. The investigation was conducted in collaboration with the J-RAPID project team on “Business Continuity and Economic Recovery of Companies and Organized Industrial Zone in the Kahramanmaraş Earthquake.” First, the current status of Turkish companies and the industrial characteristics of the study areas, Adıyaman, Gaziantep, Hatay, and Kahramanmaraş, are reviewed. Next, A summary is presented of the major findings from the field investigation. Last, directions for future research are suggested.

2. Overview of Turkish companies

According to the Organisation for Economic Cooperation and Development (OECD, 2024a) data on enterprises by business size, in 2021, Türkiye has the highest number

of any-sized enterprises in the world. Turkish small- and medium-sized enterprises (SMEs) with 1 to 249 employees are much larger in number than large firms with more than 250 employees, with SMEs accounting for more than 99% of the total number of companies (**Fig. 1**). The major sectors in terms of percentage of GDP are “services” (52.7%), “manufacturing” (22%), “industry” (31.1%), and “agriculture” (5.6%) (MOFA, 2024).

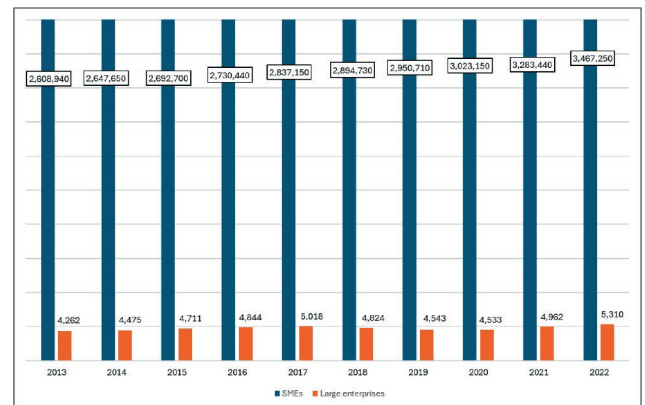


Fig. 1 Number of SMEs and large firms in Türkiye (Prepared by the author from OECD (2024b)).

3. Characteristics of the study areas

3.1 Gaziantep

Gaziantep is a major metropolitan province and an

important trading center in south-central Türkiye. Spanning an area of 6,819 km², its population is 2,164,134 (City Population, 2023). Gaziantep is a major manufacturing zone in textiles and food processing and is also famous for its agricultural production of pistachio nuts.

3.2 Kahramanmaraş

Kahramanmaraş is a metropolitan province with a majority of its area covered by mountains and the rest by plateaus and plains. With an area of 14,346 km², its population is 1,116,618 (City Population, 2023). Kahramanmaraş is a leading producer of cotton and has a bustling textile industry.

3.3 Hatay

Hatay is the southernmost metropolitan province, bordering Syria on its south and east, along the eastern coast of the Levantine Sea. Its area is 5,828 km², and its population is 1,544,640 (City Population, 2023). Many steel-industrial complexes are located in Hatay, where major Turkish steel companies have factories.

3.4 Adıyaman

Adıyaman is a province in the southeastern Anatolia region, whose inhabitants are mostly Kurdish. Its area is 7,033 km², and its population is 604,978 (City Population, 2023). Agriculture and farming are the major occupations in the region.



Fig. 2 Map of the study areas.

4. Field investigation

4.1 Implementation process

The field investigation was aimed at assessing the extent of the damage caused by the Kahramanmaraş Earthquake of 2023 and the disaster preparedness and business continuity plans (BCPs) of the Turkish small businesses. A team of scholars from Gebze Teknik University, Pammukale University, and University of Hyogo, and a researcher from NIED formed the investigation team. The questionnaires were prepared in advance by the team in Turkish language, and interviews were also conducted in Turkish based on the questionnaire by making door-to-door visits to

small businesses in Adıyaman, Gaziantep, Hatay, and Kahramanmaraş (**Fig. 2**). The respondents were a variety of small business owners, such as gas retailers, shoe manufacturers, aroma shop owners, jewelry shop owners, food retailers, and so on. A tentative overview of the field investigation is provided in **Fig. 3** and **Table 1**.

4.2 Findings

The extent of damage caused by the earthquake and the recovery seem to vary. For instance, not much physical damage appears to have been caused on the shopping street in the city of Gaziantep, one of the field investigation sites. Businesses with bare essentials such as bakery shops saw little to no change in their sales before and after the earthquake. On the contrary, businesses providing entertainment, such as card game parlors, saw a significant decrease in their sales after the earthquake. In contrast to Gaziantep, the shopping street in the city of Kahramanmaraş bore a severe impact of the earthquake, with most buildings on it collapsed and razed to the ground. Although temporary stores within mobile containers have sprung up, even a year after the earthquake, many business owners are still waiting for mobile containers to be provided.

Key findings from the field investigation are listed below:

- Small business owners lack awareness about preparedness for natural hazards such as earthquakes. After the Kahramanmaraş Earthquake, they have taken some measures by themselves to restart their businesses.
- They also lack awareness about business continuity efforts. To supplement the efforts by small businesses, the need is to first enhance their awareness about disaster risks.

5. Conclusions and implications

Based on the review of the current status of Turkish small businesses and the industrial characteristics of the study areas, this report on the field investigation yields directions for future research to improve the business continuity and disaster preparedness of Turkish small businesses, as follows:

- More extensive investigation is required on the actual status of disaster preparedness and business continuity efforts of Turkish small businesses.
- More understanding is required on the socioeconomic, geopolitical, and religious context in Türkiye, and effect factors need to be identified to increase awareness regarding business continuity efforts.
- Effective interventions through the use of science and technology must be considered to increase awareness regarding business continuity efforts among small business owners.



Fig. 3 Door-to-door visits to Turkish small businesses in the study areas.

Table 1 Summary of field investigation (As of March 7, 2024).

| | Adiyaman | Gaziantep | Hatay | Kahramanmaraş |
|-----------------------------|--|---|--|---|
| Date | March 4th | March 5th | March 6th | March 7th |
| Number of field surveys | 5 | 24 | 1 | 26 |
| Business types | Food retail, agriculture (fruit, vegetable, etc.) | Shop, food retail, textile production, etc. | Machine manufacturing plant | Mobile phone operator, aroma shop, photography studio, etc. |
| Number of employees (range) | 1–40 | 1–5 | 45 | 1–2 |
| Observation | <ul style="list-style-type: none"> • Most buildings collapsed • Business continuity through a mobile container | <ul style="list-style-type: none"> • Few physical damages • No change in sales of bare essentials • Decrease in sales of entertainment | <ul style="list-style-type: none"> • 30% decrease in capacity after the earthquake • Reopened after one week • Full capacity after ten months | <ul style="list-style-type: none"> • Many small businesses still waiting for a mobile container even after one year • Increase in construction industry sales |

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トルコの小規模事業者における事業継続 － 2023 年トルコ・シリア地震からの考察－

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要 旨

本稿では、トルコの小規模事業者を対象に実施したトルコ・シリア地震における事業継続に関する現地調査について報告した。具体的には、トルコの企業現況および調査対象地である被災地のアドゥヤマン、ガジアンテップ、ハタイ、カフラマンマラシュの主要産業を概観し、現地調査から得た主な検出事項を整理した上で、今後取り組むべき研究について考察を行った。

キーワード：事業継続, BCM, BCP, 小規模事業者, トルコ・シリア地震, トルコ