

THE SABANCI DYNASTY – MASTERS OF MODERNISM

Not content to merely create an economic empire that spans the globe, the progressive and philanthropic impulses of the Sabanci family have been instrumental in the development of the nation – culturally, socially, even politically. Sarah Pursey reports on this remarkable dynasty, whose unique efforts have taken on even more significance as Turkey strives for EU accession.

Looking over the Bosphorus Strait to Asia, the iconic blue Sabanci twin towers stand as the physical embodiment of Turkey's most successful family business of all time. Over the past eight decades, the Sabanci family has nurtured a business empire that is today the largest private holding company in Turkey, with consolidated revenues US\$15.3 billion and 52,000 employees worldwide. Composed of 69 companies in 18 countries, Sabanci Group of Companies enjoys successful international partnerships with a litany of big brand names including Toyota, Citigroup, Bridgestone, Hilton International, Philip Morris and Carrefour.

Yet over and above the enormous contribution that the Sabancis have made to the economic life of their home country, the family's active involvement in philanthropic activities has resulted in the establishment of landmark institutions that have enhanced the educational, cultural and social opportunities of this rapidly transforming country. Today, headed by the formidable Güler Sabanci – Turkey's most feted female entrepreneur – this remarkable family exerts perhaps more influence in the world of finance and culture than ever before.

From rags to riches

Starting out in a small village in the province of Kayseri, Central Anatolia, the evolution of the Sabanci empire has been a real 'rags to riches' success story, in the true sense of the phrase. Its founding father, Haci Omer Sabanci, left his village to make his fortune at the tender age of 14, travelling a remarkable 450 kilometres on foot to the Adana cotton region in Anatolia.

After just a few years labour in the cotton plantations, Haci Omer had saved enough to relocate to Istanbul – Turkey's historic commercial capital – where he set up a modest enterprise. Yet, with incredible foresight and unflinching resolution – aided by state subsidies and tax exemptions – Haci Omer was

responsible, by the mid-1960s, for the foundation of successful enterprises such as Marsa, Akbank, and Bossa: the first bold steps towards the formation of the Sabanci Group of Companies. It was Haci Omer's son, Sakip, who would take the business to the next level, establishing the prestigious portfolio of companies that today form part of Sabanci Holding.

Yet, the rise to the top has not been without its tragedy for one of Turkey's richest and most powerful families, and the death of Özdemir Sabanci – Sakip's brother – at the hands of left wing guerrillas from the Revolutionary People's Liberation Party-Front (DHKP-C) would tarnish this otherwise gilded tale of success. In 1996, he was gunned down in the Sabanci twin towers, along with the manager of the country's new Toyota car plant (a Sabanci joint venture) and Sabanci's assistant – all of whom were killed in an event which signalled the deep malaise in the country at this time. "A beaten army and a collapsing regime are always dangerous for people, and in Turkey, the regime is breaking down," remarked a left wing commentator after the event.

When CEO Sakip eventually passed away in 2004 – given a hero's funeral in testimony of the family's popular influence in the country, his niece, Ms Güler Sabanci, was chosen to lead the dynasty on to greater success – a dynasty that, by that time, comprised 66 companies, with highly diverse interests in automobiles, cement, energy, retail, insurance, telecom, hotels, textiles, plastic, paper and tobacco. Some worried that the business was spreading itself too thinly when Güler took over, but under her watch, the group's earnings have soared.

The big five

Despite fluctuations in the nation's economy, no other Turkish company has thrived and expanded to the same extent, so far away from the Middle East. Under Güler Sabanci's lead- ➤



Güler Sabancı

ership, the conglomerate has expanded into the markets of Latin America and Europe. Around 3,500 personnel currently work abroad, where the conglomerate has an array of joint ventures with foreign companies including French supermarket chain Carrefour, Japanese car maker Toyota, and Germany's HeidelbergCement.

Today, the Sabancı Group enjoys a strong and successful focus in five major industry sectors: banking and insurance (it owns more than 40 percent of Akbank), cement, energy, retail and automotives.

Historically, the automotive sector has been huge for the group, with the late Özdemir Sabancı establishing several joint venture projects with major Japanese companies including Mitsubishi and Komatsu. In 1990, he paved the way for the production and dealership of Toyota cars in Turkey, in what would become the largest Turkish-Japanese partnership of all time. And tyres figure heavily as a sub-sector of the automotive focus, with Ms Güler Sabancı previously heading the division for 14 years (a position that earned her the unusual title of 'Rubber Queen').



Sakıp Sabancı

Today, however, the focus has shifted towards the retail and energy divisions. Along with its retail interests (Carrefour, Dia and Technosa), Sabancı's energy generation, wholesale and distribution company, Enerjisa (a JV with Verbund – one of the largest producers and distributors of energy in Europe), will figure heavily going forward, with company projections for at least a 10 percent market share by 2015.

Developing the nation

Its might in the realm of business is undisputed, yet within the societal and political spheres too, the Sabancı group has been highly influential. In fact, no other business group in Turkey is presently exerting as much effort as the Sabancıs for the country's accession to the EU. "Turkey must reinforce her democracy, human rights and social systems. But, Turkey belongs to Europe for sure," remarks Ms Güler Sabancı. Indeed, the accession process itself has already had a stabilising effect on the country's economy.

To the opposition posed by European leaders such as French President Sarkozy towards Turkey's EU accession, Ms Sabancı responds pragmatically: "We must demonstrate to Europe that Turkey has much to offer. Turkey is not just a market where some 70 million consumers live. First of all, we have a magnificent culture". Moreover, she believes that Turkey's very young population (the youngest population in Western Europe, with a median age of 27 years in 2006) will "bring a great dynamism to Europe". Ms Sabancı's projections for the country have been further strengthened by her role as an

envoy for her country: she accompanied Prime Minister Recep Tayyip Erdogan in participation at the World Economic Forum on Europe and Central Asia in Istanbul in 2008.

Beyond the boardroom, most of Sabancı's energies are focused on education and the arts. Since 1974, the conglomerate has poured some US\$1.1 billion into the Sabancı Foundation – the largest charitable organisation in Turkey, and one of the biggest in the world. Each year 1,200 students benefit from Sabancı Foundation scholarships: the Foundation also provides social development grants and healthcare facilities. Thanks to the law reform process, which took on great momentum in 2001, citizen groups such as the Sabancı Foundation are now able to take on a more active role in delivering such services and developing local and national policy in Turkey.

Other philanthropic institutions established by the dynasty include the Sabancı University, near Istanbul – one of the top academic institutions in the region. Founded by Sakıp Sabancı in 1999, the institution aspires to develop confident students 'capable of independent and critical reflection.' The realisation of this principle has led to it being widely viewed as Turkey's most liberal higher education institution, teaching taboo subjects such as the Armenian genocide (in a republic which, officially at least, strongly rejects the word as an accurate description of the events of 1915).

The arts, too, have benefited enormously from the support of Turkey's most famous business family – most notably, in the form of the Sakıp Sabancı Museum. Located on the

Bosphorus, the museum has gained an international reputation for its rare treasures from the Ottoman Empire, as much as for its Rodins and Picassos. The Sabancı Foundation has also been a long time supporter of the International Adana Film Festival and the National Folk Dance Competition.

Addressing gender inequality

Sitting at the helm of the Sabancı empire, the staunchly progressive Ms Güler Sabancı cuts an impressive and unique figure in business circles, as the first female board member of the influential Turkish Industrialists' and Businessmen's Association (TUSIAD) and the European Round Table of Industrialists, as well as being the first Turkish member of the International Business Council. Among several commendations, Güler Sabancı has been awarded an Honorary Doctorate Degree by Drexel University, the Decoration of Honour of Commander in the Order of Leopold II by the President of the Senate in Belgium, and the Corporate Partnership Award from the American Turkish Society. After such a roll call, it might come as less of a surprise to learn that she is widely viewed as the most successful woman in the Turkish economy today. Moreover, Fortune magazine places her as the eighth strongest business woman worldwide.

In the male dominated world of business, and particularly in a country as bound by tradition as Turkey, Ms Sabancı holds a most singular and much respected position. The significance of this status is the emphasis that she – via the Sabancı Foundation – has placed on the development of skills and opportunities for women. Interestingly, she sees the world of business as a leveller: "All over the world there is a gender issue," she says. "But in business it is less of a problem, because you can be more specific and result-orientated, and measure the results."

Outside of the office, much progress has been made in Turkey over the past decade, particularly with the passage of key legislation to protect and promote women's and girls' human rights. However, these laws have yet to be fully implemented and gender inequality is still seen by many as a notable obstacle to the development of Turkish society.

The 'Woman Friendly City' project, conducted by the Sabancı Foundation, in collaboration with the United Nations' Development Project (UNDP) and the Interior Ministry of Turkey, aims to readdress this imbalance, by improving education for girls and providing

vocational training for women. The initiative has proven such a success that it has been selected by the United Nations Population Fund (UNPF) as a model project. "A woman needs a chance to prove her value," remarks Ms Sabancı, understanding that she has been privileged in this respect: "Without the support of my family, I wouldn't have risen so high."

The dawn of a more progressive era

That the Sabancı Dynasty will continue to grow goes without saying: the third blue tower that is soon to join those two established giants overlooking the Bosphorus Strait is testimony to that. Yet, alongside this, the motto of the Sabancı Foundation and the principle by which the business empire's founding father lived by – 'To give what this land has given to us, back to its people' – will undoubtedly live on. Indeed, Ms Güler Sabancı, herself, is keen to point out that: "This country made me rich, so it's my duty to give back," going on to explain what she believes to be inherent to her leading role: "I wear two hats. One is business and increasing my shareholders' value; the other is social responsibility. I believe in the goodness of people, of trying to be a good person."

Moreover, Güler is keen for the role of the Foundation in society to be stronger than ever: "It is time for foundations in Turkey to adapt to the rapidly changing context and to take on a leadership role in promoting social transformation and sustainable development."

The country, itself, is entering a new and more progressive era, and it is no exaggeration to say that the considerable might and charitable impulses of the Sabancı family have played a key role in this transformation. It goes without saying that the Sabancıs will continue to play a significant role in Turkey's democratisation process going forward and, not least, in the country's EU accession efforts. □

