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ANALYSIS OF COMPETITIVENESS OF TURKISH TEXTILE SECTOR BASED ON THE PORTER'S DIAMOND MODEL

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Abstract

Textiles industries are among the most strategic sectors of the Turkish economy and foreign trade. Through the last three decades, the textile industry in Turkey has evolved rapidly, shifting from a low-value-added to a high-value-added industry that keeps pace with rapid changes in material, manufacturing methods and fashion (Kutluksaman et al, 2012). This paper, analysis of Competitiveness of the Turkish textile sector based on the Porter diamond. The Textile companies can use the Porter diamond model to establish how they can translate national advantages in this sector into international advantages. The Porter diamond model suggests that the national home base of an organization plays an important role in the creation of advantages on a global scale (Porter, 1990). The research methodology is the descriptive-analytical approach. Paper sources are based on scientific studies and reports related to competitiveness (textile sector reports), as well as the use of the Global Competitiveness Report data in Turkey.

The paper analyzed the textile sector and the factors affecting it using Porter's Diamond and showed there are strong points such as labor force availability, average labor costs, raw materials, and geographical location, and weak indicators related to research and innovation. Research showed that Turkey has a large local market and attractive to competitors. It is a strong point to strengthen its future competitiveness and needs more effort to meet its needs. This sector ranks ninth in the world in the volume of textile imports. The competitiveness report showed the weakness of some indicators in Turkey which affect the Turkish economy in general, including the textile sector, such as indicators related to the legal framework and the independence of the judiciary, while ranking among best countries in the index of investor protection and the intensity of local competition.

Keywords: Competitiveness; Turkish Textile Sector; Porter's Diamond Model; Global Competitiveness Report.

TÜRK TEKSTİL SEKTÖRÜNÜN REKABETÇİLİĞİNİN PORTER' IN ELMAS MODELİNE GÖRE ANALİZİ

Özet

Tekstil endüstrileri, Türkiye ekonomisi ve dış ticaretinin en stratejik sektörleri arasındadır. Son otuz yıl boyunca, Türkiye'deki tekstil endüstrisi hızla gelişmiştir. Düşük katma değerli bir sektörden; malzeme, üretim yöntemleri ve modadaki hızlı değişimlere ayak uyduran yüksek katma değerli bir sektöre dönüşmüştür (Kutluksaman et al, 2012). Bu çalışma, Türk elmas sektörünün Porter elmasına dayalı rekabet gücünün analizi üzerine kurgulanmıştır. Tekstil şirketleri Porter elmas modelini bu sektördeki ulusal avantajları uluslararası avantajlara nasıl çevirebileceklerini belirlemek için kullanabilirler. Porter elmas modeli, bir örgütün ulusal ana üssünün küresel ölçekte avantajların yaratılmasında önemli bir rol oynadığını öne sürmektedir (Porter, 1990). Araştırma metodolojisi betimsel-analitik yaklaşımdır. Çalışmanın kaynakları, Türkiye'de rekabet edebilirlikle (tekstil sektörü raporları) ilgili bilimsel çalışmalara, raporlara ve Global Rekabetçilik Raporu verilerinin kullanımına dayanmaktadır. Çalışma tekstil sektörünü ve Porter's Diamond kullanarak onu etkileyen faktörleri analiz etti ve işgücü mevcudiyeti, ortalama işgücü maliyetleri, hammaddeler, coğrafi konum ve araştırma ve yenilikle ilgili zayıf göstergeler gibi güçlü bir nokta olduğunu gösterdi. Araştırmalar, Türkiye'nin büyük bir yerel pazara sahip olduğunu ve rakipler için cazip olduğunu göstermiştir. Gelecekteki rekabetçiliğini güçlendirmek için güçlü bir noktadır ve ihtiyaçlarını karşılamak için daha fazla çaba gerektirir. Bu sektör, tekstil ithalatında dünyada dokuzuncu sırada yer almaktadır. Rekabet edebilirlik raporu, genel olarak Türkiye ekonomisini özelde de tekstil sektörünü olumsuz etkileyen yasal çerçeve ve yargının bağımsızlığı gibi göstergeleri ortaya koyarken; yatırımcı koruma endeksinde ve yerel rekabetin yoğunluğunda ise en iyi ülkeler arasında yer aldığını belirtmiştir.

Anahtar Kelimeler: Rekabetçilik; Türk Tekstil Sektörü; Porter' ın Elmas Modeli; Global Rekabetçilik Raporu.

Introduction

Textiles industries are among the most strategic sectors of the Turkish economy and foreign trade. The volume of exports in 2016 in These sectors had 17% of the total of Turkish exports. So it is the core of the Turkish economy in terms of GDP contribution, in this sector a total of 50,000 companies operate in, providing a lot of jobs and share in manufacturing, employment, investments and macroeconomic indicators (IHKIB, 2016). And through the last three decades, the textile industry in Turkey has evolved rapidly, shifting from a low-value-added to a high-value-added industry that keeps pace with rapid changes in material, manufacturing methods and fashion (Kutluksaman et al, 2012). This has been helped by developing some factors such as the development of human resources; accumulation of expertise; investment in advanced

technology; infrastructure development; and the application of global standards in quality, health, and environment... Currently, according to 2016 reports, Turkey is ranked sixth among the world's largest exporters of textiles, with an export value of \$ 11 billion (Lu, 2017). With all these advantages, the sector suffers from a number of disadvantages, which must be studied and analyzed in order to avoid them, especially with the rapid development of many regional and international competitors.

In this paper, we will analyze of Competitiveness of the Turkish textile sector based on the Porter diamond. The Textile companies can use the Porter diamond model to establish how they can translate national advantages in this sector into international advantages. The Porter diamond model suggests that the national home base of an organization plays an important role in the creation of advantages on a global scale (Porter, 1990).

This paper consists of four parts:

- In the first part the introduction, objectives, and paper questions.
- In the second part, the literature review.
- In the third part, the analysis of the Turkish textile sector based on Porter's diamond model.
- The last part contains the conclusion.

The main objective of the research is to analyze the competitiveness of Turkey's textile sector based on the Porter Diamond, to identify threats and opportunities for this sector in international markets. By answering the following two research questions:

- How can we assess the competitiveness of the textile sector in Turkey based on Porter's diamond model?
- What are the recommendations of this analysis, in order to transform local advantages into competitive advantages in international markets?

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To achieve the research objectives and answer its questions, the descriptive-analytical research method was used by analyzing the internal data on the textile sector in Turkey on the one hand, and from the data for international reports and in particular the data of the Global Competitiveness Report in Turkey on the other hand, which was linked with each other and analyzed Using the Porter Diamond model, where linking these data according to the Porter model contributes to competitive analysis and a broader understanding of the reality of this sector and its current competitive capabilities, and the most important threats and opportunities for the future.

1. Literature Review

Michael Porter (1980) presented the concept of competitiveness and many tools necessary for its analysis and measurement, and since that time many studies and research have dealt with its application to different sectors in many countries. Through the following literature we refer to some studies that dealt with the competitiveness of the textile sector in Turkey as follows:

Özlem öz, (2002) Applied porter's diamond model to identify the competitive advantage in Turkey. The researcher found that the Turkish economy depends on some industries such as textiles, clothing, and food ... and that the Turkish competitive advantage appears through Primary goods, while the weakness of competitiveness in technical fields such as machinery and equipment ... The study also showed that Turkey has a competitive advantage in the Textile sector, as it exports a large variety of products to international markets (Öz, 2002). Yilmaz, (2003) Examined Turkey's Competitiveness as a candidate of the European Union in comparison with Five other candidate countries. In order to estimate the competitiveness of the studied countries, the researcher used four main indicators: revealed comparative advantage RCA, comparative

export performance, trade overlap, and export similarity. The study found that Turkey has a strong comparative advantage in raw and labour-intensive industries and has comparative disadvantages in imitable research-oriented goods (Yilmaz, 2003).

Ozben and others, (2004) worked on analysing the elements of the Porter diamond model for the textile sector, with a view to setting a future vision for the textile and clothing industry and its competitiveness, the study found that Turkey has experience in exporting and that local companies have a competitive advantage through low cost and high quality in addition to having Basic factors like raw materials, workforce, and energy. However, this industry will witness great competition from exporters in the Far East and Eastern Europe. The study also concluded that Turkey should focus on brand and reliable express delivery in addition to developing related and supporting industries (Ozben et al, 2004). Çoban and Kök (2005), conducted a comparative study between the competitive forces of the textile sector in Turkey compared to the European Union countries for the time period 1989-2001. The study found that the competitiveness of the textile industry is high compared to European Union countries, although it has witnessed a decline in recent years. The study also concluded that enhancing the competitive capabilities of this sector needs to focus on products with high added value through developing designs, creating brands and expanding existing markets in addition to investing in research and development (Çoban & Kök, 2005).

Hakki Eraslan and others (2008) discussed in their article the analysis of the level of competitiveness of the textile and clothing sector in Turkey using Porter's diamond model. The article adopted a qualitative research through interviews and questionnaires to obtain data from textile companies. The study found that Turkey has competitive advantages in

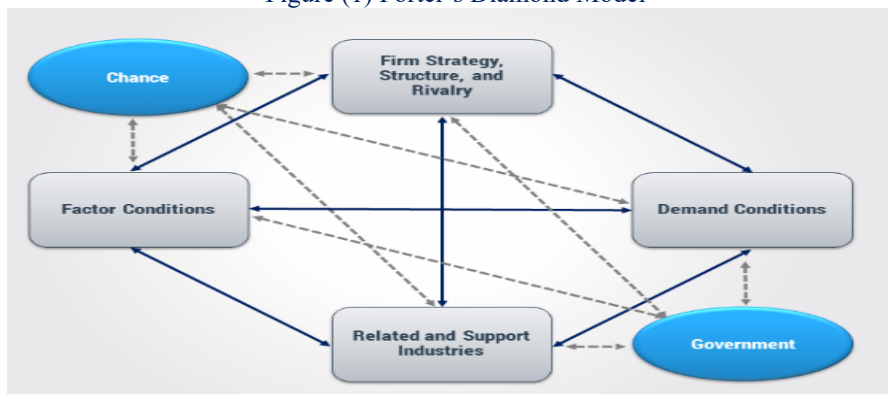
the inputs conditions through the availability of raw materials and labour force costs, but it needs to increase the areas of research and development and provide energy with lower tariffs to enhance the competitiveness of companies. It must also work to expand the spread towards global markets and focus on modern marketing activities and focus on the brand and the development of more innovative models (Eraslan & Helvacıoğlu, 2008). Lau and others (2012), studied the determinants of competitiveness in the textile and apparel industry in Turkey. The article relied on collecting raw data from 800 textile companies and distributing a questionnaire to them. The study found that the most important determinants of enhancing the competitiveness of textile companies in Turkey are quality management and organizational culture, the stability of export markets, elimination of difficulties and bureaucracy in licensing processes and requirements, in addition to several elements such as the availability of production inputs and infrastructure and the availability of government support (Lau et al, 2012). Competitiveness strength in turkey and European Union countries according to porter's diamond model has been examined by Hatice Erkekoglu and Halil Aric Kivanc (2013). The study used the balanced panel data analysis between 2007-2010. Porter's diamond model analysis during this time period showed a positive effect in factor conditions over trade performance while this effect was negative in both demand conditions and related and supporting industries (Erkekoglu & Kivanc, 2013).

3. The Analysis Of Turkish Textile Sector Based On Porter Diamond

Michael Porter in his book "The Competitive Advantage of Nations" In 1990 established a new analysis model to assess the nation's competitiveness called the "Diamond Model" (Porter, 1990). Porter's diamond model was composed of four basic primary factors and 2 assistant factors figure (1). Primary factors include the factor condition;

the demand condition; the enterprise strategy, structure and competitiveness; and relative and supporting industries. Assistant factors are chance and government. These factors influence each other and compose the dynamic system of analyzing the industry competitive ability (Liu et al, 2010).

Figure (1) Porter's Diamond Model



(Source: Porter, 1990)

2.1. Factor Conditions In Turkish Textile Sector

Factor conditions include the situation in a country relating to production factors like raw materials, knowledge resources, physical resources, human resources, technological resources, capital resources, infrastructure, innovation power and manager's capabilities. Specialized resources are often specific for an industry and important for its competitiveness. Porter divides factor conditions into two groups: basic resources (raw material, energy, and unprofessional human resources) and advanced resources (technology, knowledge, and professional human resources). According to porter, basic and generalized factors are easy to create, whereas advanced and specialized factors are more decisive and provide a sustainable basis for create competitive advantage (Riasi, 2015). In the Turkish textile sector important factor conditions are explained as follows:

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2.1.1. Basic factors: These are the inherited factors in the textile industry, which the society has not made an effort to obtain, or have been generated by introducing a reasonable amount of investment, including industry input, raw materials, labor force, and geographical location... (Alnaser, 2007). The textile sector in Turkey shows a number of positive points in the basic factors. This sector is rich in essential raw materials for the textile industry, especially cotton. Turkey is ranked seventh among the cotton producers. This cotton has more than 30% high quality While the remainder is of medium quality (Aydoğdu, 2012). The cost of raw materials and direct materials is the biggest cost of the textile industry, estimated at between 60-80% of total costs (Halife, 2015) and the result of rapid change and diversification in this industry is associated with substantial changes in manufacturing costs, thus providing raw materials will be a competitive advantage for the industry in Turkey.

On the other hand, the Turkish people are considered a young society with an average age of 31 years (compared to the average age in the European Union 42 years) (Eurostat, 2016). The number of workers in the textile sector is 619,000, including 349 thousand males and 270 thousand females work in about 50,000 textile enterprises. While the number of informal workers is estimated at about 2 million in the textile and related sectors (Türkiye istatistik kurumu, 2015). Labor costs in Turkey are also an added competitive advantage in domestic and international markets, although they are lower than many developed countries such as the EU but higher than labor costs in some countries such as China, India, and Pakistan (International labor organization, 2014).

An important factor also is the geographical location in the Asian and European continents and its proximity to major markets. Geographical

and cultural convergence and trade history are important factors in the development of foreign trade between countries.

some of the main disadvantage of the basic factors is the poor quality of the labor force due to weak educational levels and weak training. According to the 2017 global competitiveness report, out of the 137 countries, Turkey ranks 104 in the quality of the educational system, 112 in the quality of the management schools and 101 in the scope of training limits for staff, these indicators are very weak according to the international and regional presence of a country such as Turkey (Global Competitiveness Report, 2017). The labor costs also rise with economic development, thus weakening the competitiveness of labor-intensive industries such as textiles. A large number of informal labor in the textile sector (mostly in workshops and small businesses) will also negatively affect the textile industry in Turkey (Kutluksman et al., 2012).

2.1.2. Advanced Factor: The factors gained by the textile industry through the development of continuous investments in both human and physical capital, such as research institutes, modern communication systems, databases, and R & D activities (Alnaser, 2007).

Turkey has more than 4000 technical schools in the field of textiles, but its popularity is limited, due to the preference for university follow-up. Although there are more than 160 universities, the number of technical colleges and institutes specialized in textiles is still limited. Although there are a good number of engineers and scientists in this field, they need more to push the value chain forward in the textile industry (Kutluksaman et al, 2012). Also, the Global Competitiveness Report shows that Turkey is ranked 71st out of 137 countries. One of the most important factors affecting this result is the quality standards of scientific research institutions, where ranked 103rd. innovation capacity is 75th, R & D spending is ranked 70 (Global Competitiveness Report, 2017).

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Turkey lags behind neighboring countries and trade competitors on key innovation indicators due to lack of R & D investment (share of R&D in GDP was 0.95% in 2013 and This ratio is above 2% in the Euro Area) (Bozkurt, 2015).

Finally, in the infrastructure, Turkey occupies an average position of 48 out of 137. The most positive criteria in this field are the quality of the total infrastructure, quality of roads, quality of air transport infrastructure and flight quality, and ranked 29, 28, 29 and 16, respectively. While the criteria affecting negatively in this area are cellular telephone subscriptions ranked 101, and the quality of electricity supplies ranked 84 (Global Competitiveness Report, 2017).

2.2. Demand Conditions In The Turkish Textile Sector

The conditions of domestic demand in a country play an important role in generating a competitive advantage in different industries. According to Porter, the strength of demand condition is viewed as the volume of the domestic market and the maturity level buyers (Porter, 1990). That is if the scope of the domestic market is large, firms will invest to reap economies of scale. To meet the world's most mature and demanding consumers companies are forced to meet high standards and have to upgrade to respond to severe challenges (Kharub & Sharma, 2016).

In the case of textile industries where the demand structure characterized by the high relative importance of technology-intensive goods, this stimulates the development of products and the promotion of their quality while achieving competitive advantage of these products in the global market, The gradual rise in domestic demand in Turkey may make companies focus on the domestic market, while the rapid upturn in domestic demand often drives companies to seek export markets. The development of the corporate market can also help to create competitive

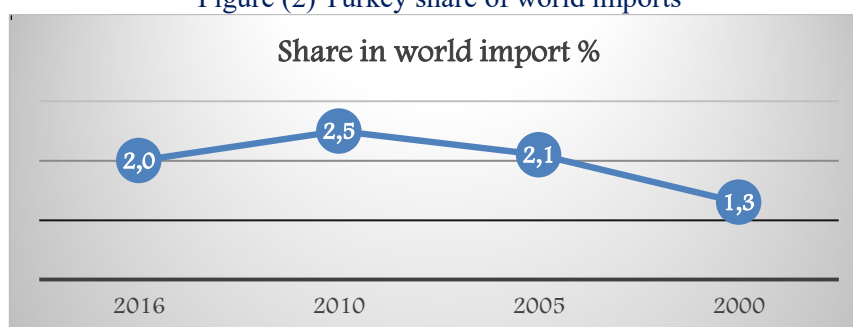
advantages in order to produce better products than the products of their competitors, because of the mood of consumers in the domestic and foreign markets. The demand conditions usually are divided into:

2.2.1. Domestic Demand: The domestic market size index shows a good ranking in the Global Competitiveness Report, with Turkey ranked 16th, making it a strength point to boost its future competitiveness. Also with a population of 78 million in 2016, Turkey has a large and growing domestic market, which is expected to reach 95 million by 2050 (Türkiye İstatistik Kurumu, 2017). Due to higher GDP per capita, the local demand is becoming unexpectedly sophisticated but there is a significant variation in buyer sophistication across regions.

On another hand, as the Turkish society of young societies, where more than 30% of the population is between the ages of 23 – 40 (Türkiye İstatistik Kurumu, 2017), makes the Turkish market one of the most attractive markets in the textile and garment industries. In terms of imports, Turkey ranks ninth in the world, with textile imports about \$ 6 billion and a global share of 2% of global imports in this sector in 2016 (World Trade Statistical Review, 2016).

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Figure (2) Turkey share of world imports



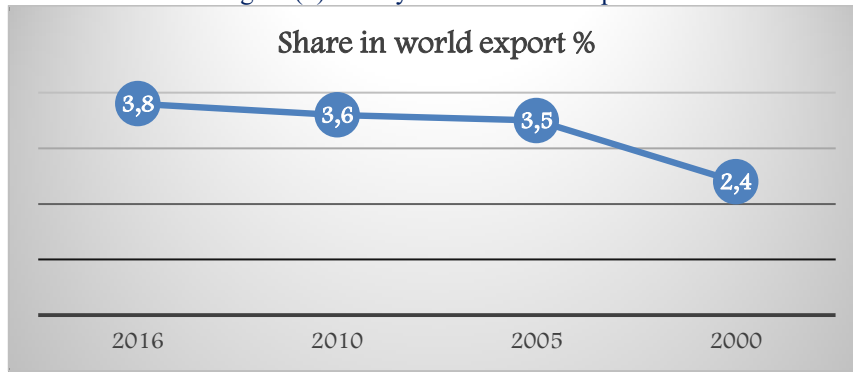
(Source: World Trade Statistical Review, 2016)

Despite the size of the large domestic market in the textile and garment industry, Turkish companies are unable to take all the advantages of the local market they own and tend to export markets that often compete

with exchange rates and costs (Türkiye Giyim Sanayicileri Derneği, 2008).

2.2.2. External Demand: In the foreign market size index in the Global Competitiveness Report, Turkey ranked 26th, making it a strength point to enhance its future competitiveness. According to the newly released World Trade Statistical Review 2017 by the World Trade Organization (WTO), Turkey ranks among the world's largest exporters of textiles in sixth place with \$ 11 billion in 2016. It has shown consistent export volume compared to 2015, while the time series between 2000 and 2016 shows growth in export volume of the textile sector (World Trade Statistical Review, 2016).

Figure (3) Turkey share of world exports



(Source: World Trade Statistical Review, 2016)

One of the other important points is that the demand for textile products by the EU can be attractive and a future opportunity for Turkey. Turkey's proximity to the European market compared to other competitors such as China, India, Indonesia and Vietnam gives Turkey an additional strength point in this Sector (Duran & Temizdinç, 2016). Perhaps the global trend of the global market towards the EU markets increases competition in the Turkish textile sector as this sector shows a decline in the EU market. For this reason, it is important that the company be transformed into different markets and gain a competitive advantage in some markets such as Russia, and the Middle East.

2.3. Related and supporting Industries in the Turkish textile sector

The presence of high competitive supplier and related industries within a nation provides benefits such as promote innovation, upgrade technology, quick information flow and shared technology development through firm alliance which creates an advantage in industries (Uddin & Bose, 2013). This means that textile industries in Turkey, will have world-class industries that will be linked and supported to each other. Thus enriching the competitive advantage of the textile industries (Associated industries are those industries that share technologies, inputs, distribution channels and customers). The country has a competitive capacity in the clusters of related and supporting industries (Porter, 1990). Also, as noted previously, Turkey has a world-class cotton processing facility, and it has all the components of the supply chain in the industry, from raw materials to finished products.

Despite all the elements of industry, Turkey lacks strong institutions of cooperation that can help facilitate linkages within and between the primary and supportive industries. Turkey has established several coordination institutions, such as export agencies, chambers of commerce in each city and research institutions such as Tupitak and the Turkish Export Promotion Center. However, many of these institutions have not been fully developed to become effective. More broadly, there is still a lack of coordination between government sectors, private companies, universities, public research institutions and coordination institutions.

In spite of Turkey's dependence on importing machinery and equipment in the textile and garment industry. It has begun to manufacture some equipment and machinery used in the textile industry, but the industry still suffers from some problems of reliability and after-sales services, and requires technical support from foreign machine manufacturers.

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On the other hand, the industrial sector is still not concentrated in specific industrial cities, although some cities famous in the textile sector compared to other cities. These cities include İstanbul, Denizly, Bursa, and Gaziantep (Tekstil ve hazır giyim sektör raporu, 2014).

The Global Competitiveness Report shows Turkey's position in the indices of industries and supporting institutions, which reflects the competitiveness of the textile sector. The table below shows that Turkey occupies an average position in the competitiveness of these indicators. out of 137 countries, in the number of local suppliers is 41, local suppliers quality is 48, in the case of industrial clusters is 57, and 64 in the value chain breadth (competitiveness report, 2017).

Table 1: Global competitiveness index in Related and supporting Industries

Global Competitiveness Index	Rank / 137	Score (1-7)
Local supplier quantity	41	4.7
Local supplier quality	48	4.6
State of cluster development	57	3.8
Value chain breadth	64	3.8
Control of international distribution	55	3.8

2.4. Strategy, Structure, And Rivalry in The Turkish Textile Sector

Firm strategy, structure, and rivalry refer to the importance of the way in which firms are created, organized, and managed in determining their competitiveness. The probability of a nation to succeed in a particular industry increases when the sources of national environment correspond with the industries' sources of competitive advantage. Michael Porter identified two main points around it: that underdeveloped countries are characterized by different ideologies that can help or hinder the building of a local competitive advantage. The second point is the relationship between strong local competition and competitive advantage, and persistence in any industry, where strong local competition drives companies to improve efficiency and thus reduce costs. Local competition also creates some pressure on innovation and quality

improvement. This helps to create a class of international competitors (Ismail & Aman, 2017).

The following table shows some competitive indicators that play a role in the Strategy, Structure, and Rivalry:

Table 2: Global competitiveness index in Strategy, Structure, and Rivalry

Global Competitiveness Index	Rank / 137	Score (1-7)
Intellectual property protection	95	3.7
Judicial independence	107	3.1
Efficiency of legal framework in settling disputes	96	3.1
Favoritism in decisions of government officials	80	2.9
Strength of investor protection	20	0-10 (best)
Intensity of local competition	12	5.9
Extent of market dominance	54	3.8
Effectiveness of anti-monopoly policy	41	4.1
Effect of taxation on incentives to invest	73	3.6
Total tax rate % profits	83	40.9
No. of procedures to start a business	94	8
Time to start a business days	46	7.5
Prevalence of foreign ownership	102	4.1
Business impact of rules on FDI	47	4.9
Burden of customs procedures	74	3.9
Degree of customer orientation	39	5.1
Buyer sophistication	66	3.4

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Such indicators are reflected across all sectors in Turkey, including the textile sector, where the competitiveness report contains many negative points, where the Efficiency of legal framework index ranks in settling disputes and in difficult regulations, 96 and 117 respectively. Judicial independence and Favoritism in decisions of government officials in 107 and 80, respectively. As for the positive indicators, Turkey was among the best countries in the investor protection index and ranked 12th in the Intensity of local competition index. Such competition can help bring innovation to the sector, which could lead to further development of these companies in the international markets (Global Competitiveness Report, 2017).

On the other hand, there are a number of ruling points, which affect Strategy, Structure, and Rivalry in the Turkish textile sector, including (Eraslan et al, 2008):

Going to major global markets, as most of Turkey's exports (as shown in the export reports) are for major buyers in the world, especially for EU countries (44.5%) (European Commission, 2016), and thus their ability to pursue institutional strategies to meet the requirements of these buyers

The size of companies in the textile sector is mostly small and medium enterprises, with more than 50,000 medium companies and a large number of small workshops, while there are more than 100 large companies ranked among the top 500 companies in Turkey, Helps to gain high flexibility and adaptability in fashion trends (Eraslan et al, 2008).

Complete supply chains, where there are a large number of integrated companies in Turkey from raw material to finished product, giving them the ability to reduce production costs and control the various stages of production.

Use of advanced technology in terms of efficiency and effectiveness, which helps to reduce costs and improve the quality of products.

Most textile companies in Turkey focus on the low-cost strategy, while a very small number of producers focus on the implementation of the differentiation strategy.

In addition to the above-mentioned determinants, Michael Porter also mentions factors like Government and chance events that influence competition between companies.

2.5. Government

Governments can play a powerful role in encouraging the development of industries and companies both at home and abroad. Governments

finance and construct infrastructure and invest in education and healthcare. Moreover, they can encourage companies to use alternative energy or alternative environmental systems that affect production. This can be affected by granting subsidies or other financial incentives (Mulder, 2016).

In Turkey Political stability, economic conditions, government support schemes and mutual agreements with foreign countries have an impact on the success of the textile industry and its development locally to be able to compete in international markets. It is important to note the important role of the government in Turkey in issuing appropriate legislation for the business environment, and the need to review the legal framework with the changes in the global textile industry.

2.6. Chance

Michael Porter also indicates that in most markets chance plays an important role. Chance may affect the competitiveness of Turkey's textile sector positively way as a result of the geographic location of the host markets. Cultural and geographic convergence is a critical success factor in the international competition according to many studies (International Institute for Management Development, 2007) and allows us to establish better relationships with customers. However, this approximation only brings good starting conditions for that relationship. It is impossible to succeed in global markets without having competitive advantages and appropriate strategies. Although the factor of chance plays an important role in awarding contracts, the success of the long-term sector depends primarily on the management and structure of this sector, and the creation of competitive advantages that suit the target markets.

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Conclusion

The paper analyzed the textile sector and the factors affecting it using Porter's Diamond. A number of results figure (4) were obtained as follows:

✓ The basic factors in the textile industry, such as labor force availability, average labor costs, availability of raw materials and direct materials, and geographical location are a strong point for the Turkish textile industry, which can be an opportunity to compete in international markets of textile. This is consistent with many previous studies of this sector (Erkekoglu & Kivanc, 2013), (Lau et al, 2012) which find the basic factors an important competitive advantage.

✓ Poor quality of the educational system, and management schools, where they occupied late ranks in international competitiveness indicators. At the same time, The professional training center and universities in the field of textiles and its industries are still not functioning correctly. This intersects with several studies (Çoban & Kök, 2005), (Eraslan & Helvacıoğlu, 2008) which saw the necessity of developing designs and brands and focusing on modern marketing activities, which can be obtained from professional centers, management schools and specialized universities in the field of textile and its sciences.

✓ The competitiveness report showed weak indicators related to research and innovation. The quality index of scientific research institutions in Turkey ranked 103 out of 137 countries and the ability to innovate at 75. This requires more spending and work on these areas in order to enhance the competitiveness of the textile sector in international markets. which are rapidly developing in the used technology and types of products in this sector. This result is consistent with the results of some studies (Yilmaz, 2003) (Eraslan & Helvacıoğlu, 2008) on the need

to develop research institutes and foster innovation and creativity in this sector.

✓ Infrastructure came in the middle of competitive indicators, and need more support and focus on cellular subscriptions and the quality of electricity supply between the average and the weak .

✓ Turkey has a large local market and attractive to competitors. It is a strong point to strengthen its future competitiveness and needs more effort to meet its needs. This sector ranks ninth in the world in the volume of textile imports.

✓ For foreign markets, Turkey is considered one of the most important global exporters (sixth in the world), but it must take advantage of its geographical proximity to some markets such as the European Union to strengthen its share in this market, as well as expansion in some markets in Russia and the Republic of Turkey and the Middle East. This is consistent with a number of studies (Ozben et al, 2004), (Öz, 2002) that found that Turkey is one of the most important exporters and has a long history in this field.

✓ Turkey has most of the supply chains in the textile industry, but the fact that most companies are small and medium, which weakens this integration, and there is weak coordination between government sectors, private companies, universities, research institutions and institutions of coordination. This is consistent with a study (Ozben et al, 2004), which concluded that it is necessary to develop related and supporting industries.

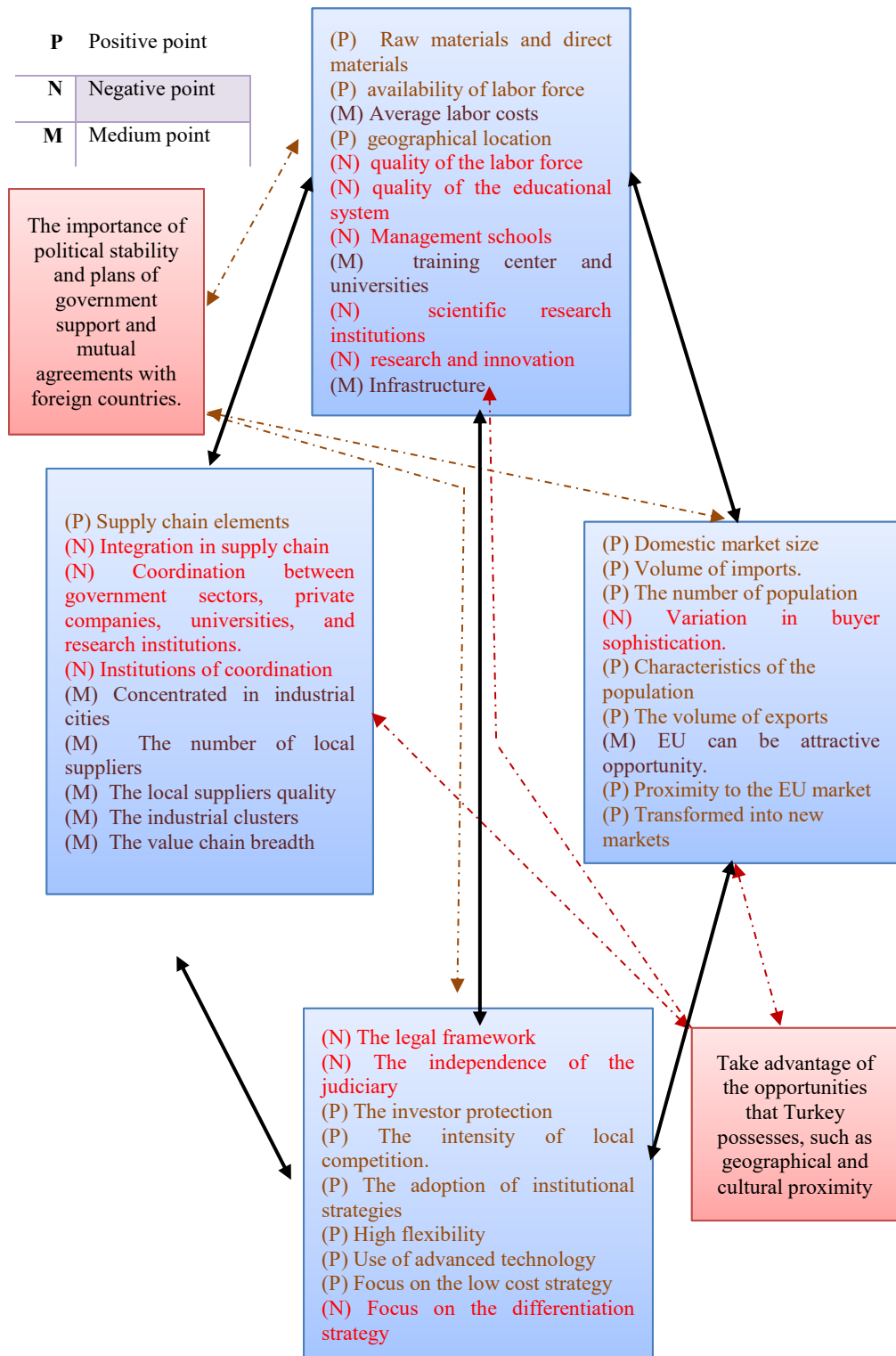
✓ The competitiveness report showed the weakness of some indicators in Turkey which affect the Turkish economy in general, including the textile sector, such as indicators related to the legal framework and the independence of the judiciary... while ranking among

best countries in the index of investor protection and the intensity of local competition. This is indicated by a study (Lau et al, 2012) that concluded that it is necessary to eliminate difficulties and bureaucracy in licensing requirements.

✓ The importance of political stability and plans of government support and mutual agreements with foreign countries on the success of the textile industry and its practical development to be able to compete in international markets.

✓ Take advantage of the opportunities that Turkey possesses, such as geographical and cultural proximity, which must be linked to appropriate advantages and strategies to establish strong competitive advantages for this sector in the international markets.

Figure (4) The analysis of Turkish textile sector based on porter diamond



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