
Trust and Gender in a Transnational Market: The Public Culture of Laleli, Istanbul

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The operation of market exchange usually relies on a combination of written rules and regulations and some unwritten but shared cultural codes. Yet in an age when the mobility of people, goods, and money is rapid and far-reaching, many markets might lack either one or both of those bases of operation. This essay discusses the organization of such a marketplace, one formed at the nexus of cross-border movements of goods and people. In the Laleli district of Istanbul, entrepreneurs from different countries and of both genders mobilize eclectic idioms of trust and sex in order to carry out economic exchange in a weakly regulated economic environment. In the process, they form gendered social relationships ranging from friendship to sexual intimacy.

Over the last fifteen years, a transnational trade network has emerged that is centered in the former Soviet Union (FSU) and spans the Middle East, North Africa, Europe, and South and Southeast Asia. The agents of the *chelnochny biznes* (shuttle trade), as unregistered and unregulated cross-border trade is called

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in Russian, are small-scale traders who travel abroad regularly to purchase moderate quantities of consumer goods, such as garments and leatherwear. Turkey, especially Istanbul, is an important node of the shuttle trade. The Laleli district, on the historic peninsula of Istanbul, has become the primary marketplace where predominantly female shuttle traders (*chelnoki*) from the FSU meet Turkish small-scale entrepreneurs who have set up shop there to cater to the traders' demands.¹

Laleli is a locus of transnational movements of people in the shuttle trade network. At the same time, it is a marketplace characterized by weak legal regulation. This informality has led both Turkish suppliers and *chelnoki* to attempt to turn strangers into regular trade partners. In the process, they construct an urban space through their everyday encounters in streets, shops, and restaurants. Following Sharon Zukin (1995), I call this urban space a *public culture*, which includes the entrepreneurs' savvy with operating beyond the gaze of the state, gendered skills in the informal economy, a makeshift notion of trust, and stereotypes and narratives of masculinity and femininity.² Suppliers and the *chelnoki* employ elements of this public culture in order to conduct business. In this essay, I focus especially on how idioms of trust and sex are strategically manipulated by both male suppliers and female *chelnoki* to achieve economic ends. The idiom of trust, which draws on both Russian and Turkish informal small-business practices, enables buyers and sellers to carry out repeated trade with one another by sharing risks. Likewise, the idiom of sex and intimacy mediates market exchange between entrepreneurs of the opposite sex in several ways. Sexual intimacy may ground trusting relationships that facilitate regular, repeated exchange between male and female traders. Conversely, sexual stereotypes and codes are also manipulated for economic gain. In both instances, idioms of trust and intimacy differ from the social and ethnic relations economic sociologists have identified as facilitating transactions in uncertain economic environments.³ Indeed, buying

1. I use the term *Turkish* to denote citizens of Turkey rather than people of Turkish ethnicity. The Laleli marketplace is ethnically very diverse, as will be shown.

2. My description of *public culture* differs from the way the editors of *Public Culture* have used the term (Appadurai and Breckenridge 1988). My emphasis is on everyday urban practices rather than on art forms, cultural products, and services. Yet like Arjun Appadurai and Carol A. Breckenridge, I also emphasize the *translocal* character of public culture.

3. Economic sociologists have critiqued the hypothetical market of neoclassical economics (where agents are indifferent to extended social contacts) by emphasizing that real-life markets suffer from malfeasance and asymmetrical access to information. Some of the ways economic agents overcome these problems include getting to know their trading partners and operating within social networks of one sort or another (Granovetter 1985; Portes 1994).

and selling on trust might provide fragile insurance against economic ups and downs in the shuttle trade network. Likewise, business relations embedded in sexual or romantic intimacy might just as easily result in betrayals as initiate trusting partnerships between men and women. Nonetheless, these idioms are integral to the unfolding of the shuttle trade in Laleli.

The language of exchange nurtured in the public culture of Laleli does not fully describe the shuttle trade, however. At times when the threat of state control over unregulated trade is coupled with relatively large-scale and potentially more profitable activities, certain aspects of the shuttle trade have been informally or even illegally organized by stronger actors. In what follows, I describe the features of shuttle trade and the formation of the public culture in Laleli at the nexus of transnational flows of people. This sets the stage for a discussion of the notions of trust and gendered practices among small-scale entrepreneurs in Laleli and a concluding analysis of the large-scale organization of the shuttle trade.

The Shuttle Trade

The shuttle trade is, for the most part, unregistered, evading taxes and customs duties since states are either unwilling or unable to regulate it. Russia, which is home to the majority of the shuttle traders, has allowed billions of dollars of unrecorded imports as an unofficial response to the sharp decrease in consumer goods production after the collapse of the socialist economy at the turn of the last decade.⁴ Likewise, Turkey has turned a blind eye to unregistered small-scale trade (“suitcase trade,” or *bavul ticareti* in Turkish) by Eastern Europeans, which since the 1990s has become a source of much-needed foreign currency for the national economy. At a high point in the mid-1990s, suitcase trade exports from Turkey to the FSU were estimated at \$9 billion annually, a significant sum compared with Turkey’s official exports, which ranged between \$13 and \$27 billion per annum over the decade.⁵

The Laleli district, which lies near the tourist centers of Sultanahmet and

4. The Organization of Economic Cooperation and Development (OECD) estimated that unregistered shuttle trade imports accounted for about one-fourth of Russia’s total imports (totaling \$84 billion) in 1996 (OECD 1997).

5. Since 1996, the Central Bank of Turkey has made estimates of suitcase trade exports. The bank’s estimate of the trade at its high point in 1996 was \$8.8 billion. After the Russian currency crisis of 1998, suitcase trade exports fell precipitously to a low of \$2.2 billion in 1999. They have since recovered slightly and were estimated at over \$3 billion in 2001 (DPT 2002).

Beyazit, became the main marketplace for the shuttle traders.⁶ With dozens of hotels in the area, Laleli by the 1980s was already attracting tourists from Poland, Czechoslovakia, Hungary, and Yugoslavia as well as from North Africa and the Persian Gulf. The removal of travel restrictions and the dismantling of the state-led economy in the Soviet Union resulted in a stream of shoppers to the neighborhood starting in 1990. By mid-decade, several thousand stores operated in Laleli that mediated between the demands of *chelnoki* and the manufacturers of garments, shoes, and leatherwear in other parts of Istanbul.

Most of the shuttle traders who regularly visit Istanbul have taken up small-scale trading because they either lost their jobs in state enterprises or found it impossible to survive on salaries or pensions. *Chelnoki* from the Slavic republics—Russia, the Ukraine, and Belarus—are predominantly women (Blacher 1996) and they constitute the majority of the shuttle traders; most traders from the predominantly Muslim republics (e.g., Azerbaijan, Kazakhstan, and Uzbekistan) are men. Like the shuttle traders, the majority of the store owners and shop workers in Laleli are not “locals.” Most are Kurds from the eastern and southeastern provinces of Turkey or are members of Balkan immigrant groups. In contrast to the shuttle traders, the shopkeepers and workers in Laleli are predominantly male.

The traders in Laleli do not constitute a diaspora, nor do their activities resemble the historic trade diasporas whose trade routes were settled by coethnic communities.⁷ The majority of the people who visit Turkey for suitcase trade are from Russia, and according to my survey and interviews, they are predominantly eth-

6. In the past several years, the shuttle trade has spread to the peripheral neighborhoods of Istanbul, where garment and leatherwear production takes place. But Laleli is still the hub of all suitcase trade-related activities in the city.

7. On historical trading minorities, see Curtin 1984 and Braudel 1982. On trade diasporas in the twentieth century, see Diouf 2000 and Kyle 2000. Informal transnational trade by petty entrepreneurs occurs in many parts of the world. For example, see Freeman 2000 on women’s “suitcase trade” in the Caribbean, and see Janet MacGaffey and Rémy Bazenguissa-Ganga’s study (2000) of informal trade between Congo and France. The absence of trade diasporas in the shuttle trade is a noteworthy phenomenon, given the history of population movements around the Black Sea. The region was the stage for several waves of refugee flows into Anatolia from the Caucasus, Crimea, and the Balkans in the course of the Ottoman Empire’s territorial losses throughout the second half of the nineteenth century (Karpát 1985). But cultural and economic exchange around the sea came to a halt in the 1920s with the formation of the Turkish Republic on one side and the USSR on the other. After 1988, when the border between the then-Soviet Republic of Georgia and Turkey was opened, Caucasian diasporic groups in Turkey, such as the Circassians, rebuilt their relations with their homelands (Shami 1998, 2000). However, such diasporic groups’ activities within the larger network of the shuttle trade appear to be negligible.

nic Russians.⁸ Transnational movements of people, the absence of coethnic trading, and weak formal regulation of economic activities have all contributed to a bifurcation of the shuttle trade. For large-scale actors, the prospect of high profits coupled with the threat of state intervention have resulted in informal organization of the trade, especially in terms of transportation and shipping. More interestingly, individual small- and medium-scale entrepreneurs mediate informal economic exchange through gendered relationships that are nurtured in the public culture of the Laleli marketplace.

The Public Culture of Laleli

The public culture of Laleli is the product of interactions among different groups of people, their diverse skills and experience in small-scale and cross-border economic activity, and their varying attitudes about sexuality and gender. Social contacts between the predominantly male suppliers and the predominantly female *chelnoki*—whether in stores, over dinners celebrating business deals, or in other public places—construct narratives about femininity, male sexual adventures, and intimacy based on preexisting gender stereotypes and codes. In this unregulated and competitive market environment, both buyers and sellers are eager to have regular trading partners. Entrepreneurs draw on elements of Laleli's public culture while doing business. On the one hand, many people stress the importance of trust—a notion that exists on both sides of the cultural divide between *chelnoki* and traders—in building lasting business relations. On the other hand, romantic or sexual intimacy underlies some business transactions between male and female traders. Nevertheless, trusting business relations, whether nurtured by intimacy or through repeat trading, are often fragile in the face of unforeseen market circumstances.

Entrepreneurship and employment in Laleli are characterized by the predominance of migrants. The pioneering entrepreneurs in Laleli during the 1980s were a small number of second-generation immigrants from Bosnia and Kurds from border towns. These migrants have brought two kinds of know-how to Laleli: language skills and savvy with operating beyond the gaze of the state. Bulgarian Turks and other immigrants from the Balkans can speak Russian and other Slavic languages. Kurds from border towns have another skill: having engaged in small-scale goods smuggling between Turkey, Iran, Iraq, and Syria, they have experi-

8. In 1996 and 2001, about 1.5 million people visited Turkey by air from the Russian Federation, whereas the total number of visitors from all other former Soviet republics was around 500,000 for both years (DHMI 1997, 2002).

ence trading in gray markets.⁹ Storeowners from Doğubayazıt, a town on the Iranian border, emphasized this in conversations with me; as one shopkeeper explained, “[they] were already experienced in dealing with customs [officials].” When border trade with Iran started to decline in the mid-1980s, moving to Istanbul and working in Laleli—where most transactions are unrecorded—became a reasonable alternative for many. Immigrants from the multiethnic province of Mardin, on the Syrian border (including a small group of Syrians, with goldsmith and jeweler backgrounds in the historic Grand Bazaar, as well as some Arabs and Kurds), also have experience in cross-border trade. Bosnian salespeople in the Grand Bazaar and Beyazıt had been trading with East Europeans since the late 1970s, when the Turkish lira was not convertible and all foreign currency transactions were considered black market dealings. A Bosnian hotel owner noted that the earliest Bosnian shopkeepers in Laleli were “used to police beatings.” Thus, like the smugglers from Doğubayazıt, Bosnians are used to operating in a legal gray zone.

However, recent migrants are more numerous in Laleli. The majority of the shopkeepers and workers in the marketplace are Kurdish. Many of them are internally displaced persons who have sought refuge in cities, including metropolitan Istanbul, over the past ten years because of the civil war in the south-east.¹⁰ There also is a large number of ethnic Turks from Bulgaria who immigrated in 1990, when the former communist government forced them to change their names (Vasileva 1992). Bulgarian Turks have mostly become salespeople or interpreters in stores. Among the Kurds, the younger and poorer have become porters and street vendors. The more resourceful, and those with some start-up capital, have opened apparel and leatherwear stores.

Like the Laleli shopkeepers, *chelnoki* who shuttle to Istanbul regularly—especially the women—are familiar with informal economies. Women constitute a significant segment of the unemployed and the underemployed in Russia (Rzhantsyna 1995; Bridger, Pinnick, and Kay 1996).¹¹ During the market economy

9. The smuggling of goods in and out of Turkey, Iran, Iraq, and Syria has been a widespread phenomenon throughout the republican period. In 1979, separate agreements between Iran and Turkey and between Syria and Turkey opened the way for formal trade between border provinces. Once border trade came to be officially regulated, smuggling to and from Iran and Syria declined somewhat, but the informal border economy still exists.

10. An estimated 2–3 million Kurds were forced out of their villages and towns in the southeastern region during the military campaign against the Kurdish insurgency (Kirişçi 1998; Frelick 1999).

11. Since the majority of *chelnoki* in Turkey are from Russia, and because the scholarly literature on that country is richer than that on other former Soviet republics, I confine my remarks in the following paragraphs to Russia.

“transition,” women have been disprivileged in the Russian labor market, suffering from cutbacks both in sectors that require higher education and in the low-wage, feminized industries. Governments have not been forthcoming with retraining and reemployment programs or with small business development incentives geared toward women (Attwood 1996). Under these circumstances, and in the absence of meaningful opportunities for formal employment, women have been pushed into the informal and small-scale trading sector (Bruno 1997). There is a pattern of continuity between women’s overrepresentation in the informal economy today and their previous role within the “second economy” under socialism. As the state’s social services and official distribution system deteriorated in the 1970s and 1980s, many people sought to obtain services in the second economy, which operated outside but parallel to the state-owned socialist economy. In the process, women developed networks and skills to acquire consumer goods that were in short supply in the state sector. As will be shown below, exchanging goods and services through reciprocity, that is, through relations based on trust, was an important aspect of those skills.

Thus, Laleli has brought together people who have been marginalized from formal wage employment and entrepreneurship in *both* Turkey and the FSU. Kurdish and immigrant shopkeepers and salespeople in Laleli operated on the margins of the formal economy in Istanbul, while female shuttle traders have been displaced from both the state sector and the privatized structures of the post-Soviet economy. As they began to trade with one another, members of the two groups built relations that drew on their gendered experiences with informality, eclectic idioms of trust, and their attitudes and stereotypes about sexuality.

Trust and Risk Taking

In Laleli, I repeatedly heard both *chelnoki* and store owners assert that they favor doing business regularly with the same people. In fact, one can observe a constant effort—especially on the part of suppliers—to nurture social contact with potential and existing customers. The preference for engaging in repeat trading stems from two main concerns. First, as I discussed above, the legal framework of shuttle trade is weak, and the competition among hundreds of shops dealing in the same types of merchandise opens the way for the well-known problems of cheating and malfeasance characteristic of informal economies (Portes 1994). Second, the marketplace exists in a transnational circuit of goods, people, and money where it is extremely difficult to enforce contracts. It is not hard for cheaters to exit the market since the trade network extends across two continents, there are

no ethnic (or diasporic) networks along trade routes, and there is almost nothing resembling an international trade regime to regulate commerce.

For these reasons, small- or medium-scale entrepreneurs engaged in the shuttle trade use repeat trading and social contacts to minimize economic uncertainty. In fact, repeat trading nurtured by cash and credit flows between pairs of buyers and sellers is a time-honored practice used by small-scale traders in many societies (Geertz 1963). It is within this context that most entrepreneurs in Laleli boast of regular trade partners, friendly relationships, intimacy intermingled with business, and transactions based on trust. The building of friendly, sexualized, and trusting business relations both mirrors and helps further construct the public culture of Laleli in terms of the entrepreneurial characteristics described above. In this and the following sections, I discuss the role of idioms of trust, sex, and intimacy as registers that *chelnoki* and Turkish entrepreneurs employ in order to conduct business in the informal environment of the shuttle trade.

In interviews, store owners and traders in Laleli often stressed that the most important trait of an entrepreneur was trustworthiness in the eyes of customers. Many shopkeepers were unequivocal in expressing confidence in their trade partners. For instance, the owner of a large shoe store in Laleli told me that “Russians” (meaning people from the Slavic republics generally) were “perfect” people: “They are well educated, honest, and sincere.” He had such faith in their honesty that he confessed, “I am Turkish, yet, I am sorry to say, I will not sell another Turk shoes on credit. But I will sell on credit to Russians.” Sometimes when a customer was short of cash, he would let her make the payment after she had sold the shoes back home. This business practice was not uncommon. Many store owners I interviewed reported that they would sell goods on partial credit to *chelnoki*. On the buyers’ side, some *chelnoki* whom I spoke with said they completely trusted their Turkish trade partners. Shuttle traders who expressed faith in the store owners commented that Turkish people were usually “fair,” “good,” and “honest.” On the other hand, I also met merchants whose businesses had been jeopardized by too much faith in their customers. Shopkeepers who delivered merchandise based on promises of future payment sometimes discovered that their trusted trade partners had disappeared. Likewise, some *chelnoki* expressed less than full trust in the store owners, citing sales of defective or low-quality merchandise as the reason.

Both *chelnoki* and the Turkish merchants’ emphasis on trust was intertwined with grievances about the lack of it. What, then, did they mean by trust? Trust in this marketplace is not what economic sociologists refer to as *enforceable trust*, which helps business run smoothly thanks to the possibility of legal action or the

enforcing power of social ties within an immigrant or diasporic community (Portes 1994). If a shopkeeper runs off with the down payment without delivering the goods or if a *chelnok* disappears without paying for delivered merchandise, there is no social network within which to right the wrongdoings.

In the public culture of Laleli, trust has developed as an idiom that greases the wheels of commerce in the absence of effective legal or social institutions. This idiom is a hybrid between Turkish entrepreneurial understandings of trust (*güven*) and Russian understandings of trust and reciprocal exchange (*blat*) that developed within the social networks of the second economy (and subsequently the informal economy). Moreover, the notion of trust in Laleli is enmeshed with both groups' experience in operating beyond the purview of legal regulations.

The small business sector in Turkey is characterized by informality and by *güven*, where buyers and sellers share risks through lagged payments. Business in Laleli operates on precisely this principle. In the vertical chain from apparel manufacture through wholesale and retail sales, each agent depends on (trusts) the next one in line. If there is a failure at the final link of the chain, it affects the entire line. Thus, the transfer of payments at all stages depends on the overall performance of the market. In this sense, trust does not denote an enforceable norm or a moral principle but rather an interdependency among actors and the common assumption of risk.

Trust is also vital to small-scale activities within the nascent market economy of Russia.¹² People seek to complement wages or earn a living through petty entrepreneurial activities, ranging from selling small items at a subway station to shuttle trading abroad. Small entrepreneurs usually evade taxation, and therefore official regulation (Schroeder 1996), while simultaneously struggling to avoid protection rackets (Humphrey 1995). Market practices in contemporary Russia are influenced by the customs of the Soviet era's second economy, especially the *blat* system of informal transactions. *Blat* is a form of exchange characterized by reciprocal dependence and mutual trust built up over the long term. It entails the exchange of favors of access to public resources among people linked by kinship,

12. The transition to the "market economy" in the former Soviet Union, and specifically in Russia, has been a bifurcated process. On the one hand, the "New Russians," a predominantly male group of entrepreneurs, have been the main beneficiaries of the privatization of state companies and have access to capital by virtue of their previous positions within the Soviet bureaucracy. To a great extent, big, private business in Russia is entangled with the mafia and protection rackets (Sterling 1994). Thus, far from relying on trust, Russia's new capitalism substitutes a lack of effective formal regulation with the use of force, that is, organized crime. On the other hand, there are numerous small-scale enterprises, many of which operate in the informal economy.

friendship, or mutual acquaintance (Ledeneva 1996–97). Reciprocity based on *blat* exchange has survived the socialist period, and women especially rely on it for operating in an uncertain postsocialist economy. Because of the administrative chaos in Russia, contract laws are de facto useless, and people resort to other methods to do business. For the small business owner, one's word is more important than a contract on paper. In this context, women petty entrepreneurs boast of their trustworthiness in business relations—a trait they have nurtured through barter and exchange relations in the Soviet period. They also admit that they sometimes have to “use their femininity” and present themselves as attractive women in dealings with officials or racketeers to keep their market stalls or to get trading licenses (Bruno 1997: 69–71).

Participants in the Laleli market enmesh the disparate senses of *blat* and *güven* as well as their experiences with the informal economies of their respective countries. Transactions rarely involve written contracts or receipts. Apparel manufacturers sell goods on credit to Laleli store owners, expecting that they will be paid when the goods are sold. Likewise, shopkeepers sometimes give goods to their customers partly on credit, again on the assumption that they will be paid after the *chelnoki* sell the merchandise.

It is crucial to emphasize that business couched in the idiom of trust is not necessarily reliable under all circumstances. The risk involved in giving too much credit became obvious during downturns in shuttle trade. In the wake of the Russian currency crisis in the summer of 1998, about one-third of the shops in Laleli went bankrupt. When I returned to Laleli in the summer of 2001, I heard that store owners who completely operated on credit sales were the first to go under. Yet the shopkeepers and shuttle traders I interviewed still emphasized the importance of long-term business partners. *Chelnoki* indicated that they still sought to shop from the same stores on each visit. And shopkeepers said that they sometimes gave merchandise on partial credit to regular customers. Many entrepreneurs conceded that, when the market almost collapsed after the Russian economic crisis, some of their regular business partners (both shopkeepers and *chelnoki*) disappeared with undelivered merchandise or without paying for purchases. But it is noteworthy that once trade started to pick up the next year, buyers and sellers began seeking out *new* regular partners.

Thus, the notion of trust in Laleli is an eclectic idiom that entrepreneurs mobilize in order to share risk and to engage in repeat trading with the same partners. But since trust is not enforceable, stories about trustworthiness and untrustworthiness, honesty and dishonesty always coexist in the public culture of Laleli. Suppliers face intense local and transnational competition and want to tie good

customers to their stores for extended periods of time. Both the importance of long-term business relations and the fragility of trust become clearer if we examine gender relations in the Laleli district. In the uncertain and unregulated environment of the shuttle trade, friendliness, sexually charged encounters, and intimate relationships between some men and women constitute a framework for market exchange. In some cases intimacy provides a strong basis for trustworthy trade relationships, yet it also may lead to business disappointments. Like business relationships based on trust, gendered business relations both draw on and are constitutive of the public culture of the market.

Sexual Relations into Business Relations

Among Laleli traders, there is a strong emphasis on friendliness toward customers. The expressions of hospitality among store owners vary from celebrating business deals over dinner in the city to entertaining the *chelnoki* on weekends. Socializing and doing business with *chelnoki* are, so to say, two sides of the same coin. The following observations by a leatherwear store owner on his business with Polish shuttle traders during the late 1980s hint at the importance of social contacts: “The social aspect of trade was very important. We often tied a business deal with Poles not in the store but in a hotel lobby over drinks, or in a restaurant.” This man told me that he still maintains business relations and friendships with some of these traders, many of them women. Although he was referring to Polish customers from the 1980s, the importance of the “social aspect” in turning strangers into both friends and business partners remains valid. And because of the demographics of the marketplace, there is more often than not a gendered dynamic to the social contacts between buyers and sellers. The fluidity between business relations and sexual intimacy should be situated within the public culture of Laleli, where narratives about femininity and masculinity build on existing gender codes and stereotypes propagated by the media.

The growth of the shuttle trade during the 1990s was paralleled by the spread of prostitution throughout Eastern Europe and the former Soviet Union. Criminal rings reportedly organize much of prostitution in Eastern Europe (Bridger, Pinnick, and Kay 1996), but itinerant petty traders and undocumented migrants sometimes work as prostitutes individually. In Turkey, towns along the eastern Black Sea coast and certain districts of Istanbul gained a reputation during the 1990s for the presence of *Nataşalar* (Natashas)—as women thought to be prostitutes are derogatively called in Turkish. In coastal cities, such as Trabzon, Ordu, and Rize, the exchange of sexual favors for money is one of many strategies for survival by

poor female petty traders from the neighboring Caucasian republics and southern Russia (Hann and Hann 1992). In the early 1990s, the media began to define Laleli and the adjacent district of Aksaray as Istanbul's centers of prostitution. *Chelnoki* were described in sensationalist newspapers and television shows as traders-plus-prostitutes. In reality, suitcase trading and prostitution in Laleli are mostly separate activities with separate participants. Nevertheless, the media image of Laleli and the ubiquity of blonde, light-complexioned women distinguish this area from others in Istanbul. In this context, stereotypes about "Russian" women's sexual behavior and stories about Turkish males' sexual prowess circulate among traders. As a result, the district attracts many young men in search of adventure who often end up harassing foreign women on the streets. But at the same time, sexual intimacy does develop between suppliers and shuttle traders.

Shopkeepers and salespeople frequently praise what they regard as Slavic women's physical beauty and liberal behavior. In part, these perceptions of Slavic women reflect the stereotype held by some Turkish males that European and non-Muslim women are sexually loose. Nevertheless, public narratives about the femininity of shuttle traders pertain not only to their sex appeal, but also to their traits as entrepreneurs. Men are impressed with the entrepreneurship and personal characteristics of the *chelnoki*. On a number of occasions, I heard store owners say that "Russian" women are hardworking, active, energetic, and cultured—qualities that they contrasted with those of Turkish women. Knowing that well-educated shuttle traders carry heavy sacks, travel long distances, and sell goods in open-air marketplaces on cold days to earn a living, the store owners concluded that Russian women must be "active" and Russian men "passive." Entrepreneurial activity—a field that is dominated by men in Turkey—earns admiration for these women in Laleli. Ironically, some shopkeepers considered their own wives to be "passive," a comment that ignores the role of women's labor in Turkey.¹³

Paralleling the construction of narratives about Slavic women is an ongoing fashioning of codes of masculinity in the neighborhood. Most male workers and store owners in Laleli have recent rural backgrounds and hold traditional views

13. Part of the discrepancy between Turkish men's perceptions of Slavic and Turkish women stems from the devaluation of women's labor within the private sphere (the household), while entrepreneurship belongs to the public and male realm. The irony here is that women constitute nearly half of the laborers in Istanbul's garment industry (Eraydn 1999). For an ethnographic account of how women's labor in family-owned garment workshops is devalued by male kin, see White 1994.

about marriage, proper sexual behavior by female kin, and male sexual freedom. For many men, Laleli offers the possibility of more liberal relationships with women, such as consensual sex outside of marriage or without long-term commitments. Doing business, becoming friends, or getting sexually involved with a Slavic woman is one of the attractions of working in Laleli. In my interviews, younger men implicitly or explicitly boasted of having “Russian” dates and girlfriends, and a few even spoke of wanting to find a “hardworking Russian wife.” At the same time, they joked about other men who were “fooled” by the female *chelnok*’s beauty, gave away goods without payment, and then went bankrupt. On the other end of the spectrum, some older shopkeepers, especially religious men, condemned the sexual harassment of foreign women on Laleli’s streets and even blamed the decrease in the shuttle trade over the last several years on ill-behaved men.

Drawing in part on these stereotypes of *chelnoki*, Laleli store owners were usually willing to form personal relations with female customers. For instance, they would help female shuttle traders find suppliers, show them around the city, take them out to dinner, and assist them if they had trouble with harassers, muggers, or the police. Among some men and women in Laleli, personal relations took the form of sexual intimacy. Thus, sexual or romantic relations become a means for conducting business within this gendered public culture. This interweaving of the sexual and the commercial often takes one of two forms. Either repeated trade is embedded in an intimate relationship that facilitates economic trust, or sexual flirtation is mobilized in the course of trade.

In the first case, market exchange between two people is sometimes immersed in a romantic relationship. The story of a young Kurdish shopkeeper illustrates this point. This man had a Ukrainian girlfriend who worked as a salesperson in Laleli. Eventually, after the woman decided to return permanently to the Ukraine, this man started sending batches of leatherwear for her to sell there. Thus, a long-distance romance had turned into a business partnership. I met a married shopkeeper who (I was told by others) had a lover from Russia who was herself married. She frequently flew to Istanbul to buy goods and shopped exclusively at his store. In this instance, a business partnership corresponded to a clandestine long-distance relationship.

In the second case, sexualized idioms or gender stereotypes and narratives are exploited by one party for economic gain. Sometimes a shopkeeper’s sexual interest in a female *chelnok* gives her an advantage in business negotiations (Yükseker 2002). A young shopkeeper, originally from Bulgaria, admitted to me that he often gives merchandise on credit to his Russian girlfriend—“but it wouldn’t

exceed several hundred dollars,” he stressed. Yet he said that because he was “soft-hearted,” he lent to other female customers when they complained to him of having run out of money. A leatherwear store owner was candid about his sexual liaisons with Slavic women. He said he had slept with potential customers on several occasions but that, when sexual intimacy was coupled with business, he had often been at a disadvantage. “Then I was obliged to compromise my trade,” he remarked, adding that he would be more likely to sell goods on loan or give a discount to a woman he was sexually attracted to.

The picture that emerges from these narratives is that embedding market exchange in sexual intimacy can go either way in terms of building a stable business relationship based on trust. It is possible to create a more trustworthy bond between two business partners through intimacy. But relying solely on sexual attraction to “trust” a *chelnok* and taking high business risks with her can very well backfire. In general, it seems that women shuttle traders have leverage against the men. Not only can they manipulate male stereotypes about sexuality, but, more importantly—as mobile buyers in a highly competitive market—they can also exert their economic power in personal relationships.

It is in this context that we should also examine women’s attitudes toward men. In general, *chelnoki* complained about unwanted sexual advances in Laleli. Nevertheless, my conversations with shuttle traders suggested that they distinguished between harassment and courtship. They did not welcome sexual advances on the streets by strangers, but their attitudes toward the shopkeepers depended on how they perceived these men’s intentions. The stories of two young women from the Ukraine and Moldova, who were staying in Istanbul as undocumented sales workers, demonstrate this point. Both women had lovers in Laleli. Although their relationships were not committed (the men were married), they both described their lovers as “good men” who provided necessary financial and emotional support. The Ukrainian woman even expressed a desire to find a “good” Turkish husband. These women distinguished their lovers from other men in Laleli, who, in their view, approached foreign women only for sexual favors. Their understanding of a “good” man centered on generosity and affection. Although they had no apparent problems with their intimate relationships (“this is normal in our society,” the Ukrainian woman claimed), they were also resentful of men who objectified their sexuality.

Despite their concerns with sexual harassment, the female *chelnoki* I spoke with were generally in control of their interactions with Laleli shopkeepers. A young and attractive Russian woman explained to me that she would date her business partners in Laleli, but she emphasized that *she* determined the boundaries of the relationship. On the other hand, not all female traders seek intimate

relationships. A Belarussian woman in her forties, a single mother who shuttled to Istanbul to buy wool yarn and notions, described her interactions with her Laleli supplier as based on “mutual respect.” Likewise, women who shuttle to Istanbul with their spouses also portray their interactions with Turkish men as mutually respectful. So there is no single pattern of relationships between male and female entrepreneurs in Laleli (and although all shopkeepers are men, not all shuttle traders are women). However, gendered practices are often mobilized by buyers and sellers as they trade with one another.

Informality in Laleli

The idioms of trust and risk taking and narratives about sexuality do not exhaust the public culture of Laleli and of the shuttle trade network more generally. Nor should the prevalence of informality imply that the shuttle trade is disorganized. As the scale of operations and the margin of profits increase, or when the threat of official scrutiny appears, economic agents resort to informal ways of organizing their activities. Here, I examine two such arrangements: bribery in Laleli and large-scale corruption in transportation.

In Laleli, garment manufacturers deliver unregistered merchandise in the evenings in order to avoid officials who fine tax evaders. And vendors and hawkers appear on the streets after 5 P.M. in order to escape the scrutiny of the municipal police (*zabıta*). In general, the Finance Ministry is prepared to overlook non-payment of the value-added tax (VAT) by Laleli suppliers, because the government sees the suitcase trade as a source of foreign currency. But since there are no clear-cut policies, it is up to individual tax officials and store owners to negotiate the terms of looking the other way. Laleli suppliers complain that they have to pay bribes to Finance Ministry officials who visit their stores once a month to check accounting books. Here, the shopkeepers’ familiarity with operating beyond the purview of state regulation comes in handy. Thus, efforts by suppliers to solve the challenges of informal trade have not gathered much interest. In 1997, a Laleli Businessmen’s Association (LASIAD) was formed with the goals of bringing order to the neighborhood and pressuring the government to devise a policy to exempt Laleli suppliers from the VAT. But LASIAD’s membership is small, and its public voice is weak. It was only in response to lobbying by the well-established Leather Industrialists’ Association (which represents the export-oriented and vertically integrated industries of leather tanning and leatherwear) that the government sought to remedy this problem. The Finance Ministry and the Foreign Trade Undersecretariat issued decrees in 1997 that granted compa-

nies exemption from the VAT so long as they reported their sales as export earnings. While this arrangement has not benefited small- and medium-scale suppliers in Laleli (because the regulations are either impractical or unfamiliar to shopkeepers), it has prompted large-scale entrepreneurs to collaborate with one another in order to reap the benefits.

Ironically, efforts toward official regulation of the shuttle trade have increased *informal* organization wherever these arrangements are profitable, as with the cross-border transportation of goods.¹⁴ In the early 1990s, individual *chelnoki* used to carry heavy sacks full of leather coats, shoes, or garments from stores to their Laleli hotel rooms and from buses to Istanbul Atatürk Airport's charter terminal. Shuttle traders from nearer republics, such as Moldova and the Ukraine, used to carry their merchandise back home by bus or train. In both cases, traders were obliged to negotiate bribes with corrupt customs officials upon entry into their home countries. Travel agencies and charter companies quickly noticed the potential for profit in the transportation of goods. By the mid-1990s, cargo companies were formed to handle merchandise from hotels in Laleli all the way through home customs. The largest cargo companies represent partnerships between Russian charter liners and Turkish travel agencies. They subcontract the hauling of merchandise from Laleli to the airport to smaller firms. Transportation activities are usually off the books; for example, the subcontracting firms are unregistered enterprises operating out of hotel basements. More significantly, the large companies are able to take advantage of regulatory loopholes to facilitate large-scale smuggling. In return for weight-based fees, big cargo companies gather merchandise from shuttle traders and report it to Turkish customs as exports, thereby enabling them to collect VAT refunds belonging to Laleli suppliers. Cargo company operatives pay bribes to customs officials at Russian border gates and then deliver the merchandise to the shuttle traders. While this setup has made transportation much easier for the *chelnoki*, it appears that the greatest beneficiaries have been large-scale apparel manufacturers, major cargo companies, and large-scale wholesalers in Russia, all collaborating with one another to move millions of dollars of goods without paying customs duties.¹⁵

14. The following discussion of transportation is based on information I gathered from Laleli suppliers, manufacturers, and small cargo firms. The large transport companies, whose operations are legally questionable, refused my requests for interviews.

15. Shuttle traders can pass unlimited amounts of goods as "accompanying baggage" through the Turkish customs under a 1992 decree issued by the Undersecretariat of Foreign Trade. At Russian customs, *chelnoki* can pass some of that merchandise without paying duties (up to \$1,000). On merchandise above that value, they have to either pay full customs duties or negotiate a lower amount through bribes. This is where cargo companies become crucial, since they organize the movement of goods in bulk.

Conclusion

The Laleli marketplace in Istanbul has a unique mode of operation and cannot be reduced to a diasporic trade network. Transactions among “strangers” in Laleli lie both outside state regulation and on the borders of economic and gender norms in the traders’ home societies. But it is precisely this marginality that characterizes Laleli and its intersections of legality and illegality, of the local and the foreign. Participants in the market have responded to the informality of the shuttle trade in different ways. On the one hand, powerful entrepreneurs have sought to fill in a regulatory vacuum by organizing highly profitable activities, sometimes through less-than-legal means. But more interestingly, a “multicultural” group of small- and medium-scale entrepreneurs of both sexes relies on social contact to conduct their business, making use of skills developed in different economic environments, a hybrid notion of trust, and sexualized idioms. As traders form friendly or sexualized relations with one another, they both draw on and reproduce informal economic customs, gender codes, and stories about masculinity and femininity that constitute the public culture of Laleli.

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