



## HUGLU HUNTING FIREARMS COOPERATIVE

### HUĞLU AV TÜFEKLERİ KOOPERATİFİ

**Prof. Dr. Adnan ÇELİK**

Selçuk University, Faculty of Economic and Administrative Sciences, Konya / TURKEY,  
ORCID: 0000-0002-8538-9937

**Lecturer Emine Vasfiye KORKMAZ**

Selçuk University, Beyşehir Ali Akkanat Faculty of Business, Konya / TURKEY,  
ORCID: 0000-0001-7202-6849

### ÖZET

Bugün işletmelerin dış dünyaya ve çevrelerine kayıtsız kalmaları olanaksızdır. Rekabet ve küreselleşme ile değişen ticari faaliyetler, işletmeleri her geçen gün daha fazla müşteri odaklı olmaya ve müşterilerin istek ve taleplerini yüksek kalite ve hızda cevaplandırmaya yönlendirmiştir. Kooperatifçilik faaliyetleri de, küreselleşen dünyada işletmelerin kendi alanlarında yönetim, üretim, satış ve pazarlama konusundaki faaliyetlerini daha profesyonel yürütmeyi ve işletmelerin iç-dış pazarlarda bir araya gelerek sinerji yaratıp daha sağlam adımlarla ilerlemesini sağlamayı amaçlayan önemli bir güçtür. Huğlu Av Tüfekleri Kooperatifi 1962 yılında tüfek imalatı yapan işletmeleri bir çatı altında toplayarak, ürün yelpazesini çeşitlenmesine, ürün kalitesinin daha yüksek seviyelere taşınmasına önemli destek sağlamıştır. Beyşehir Huğlu'da üretilen tüfekler kooperatif desteği ile Türkiye sınırları dışında da satış potansiyeline sahip hale gelmesi kooperatife üye ve üye olmayan işletmelerin dış ticaret durumları araştırılması gereken önemli bir konudur. Bu çalışmanın amacı Huğlu Av Tüfekleri Kooperatifine üye ve üye olmayan işletmelerin ülke ekonomisine katkıları doğrultusunda dış ticaret faaliyetlerinin durumunu ortaya koymaktır.

**Anahtar Kelimeler:** Kooperatifçilik, Silah Sanayii, Dış Ticaret, Kobiler.

### ABSTRACT

Today, it is impossible for businesses to remain indifferent to the outside World. Changing business activities with competition and globalization have led businesses to be more focused on customers and to respond to customers' requests and demands at high quality and speed, and its surroundings. Cooperative activities are an important force in the globalizing world that aims to carry out the management, production, sales and marketing activities more professionally in the fields of enterprises and to create synergies and advance them with stronger steps by gathering them in the domestic and foreign markets. Huğlu hunting firearms Cooperative gathered the companies that produced rifles under one roof in 1962 and provided significant support to diversify the product range and to move the product quality to higher levels. The fact that the rifles produced in Beyşehir Hülu have the potential to sell outside the borders of Turkey with the support of cooperatives is an important issue for the cooperatives and non-members to investigate the foreign trade situation. The aim of this study is to present the status of foreign trade activities in line with the contribution of the member and non-member enterprises to The Hunting Rifle Cooperative.

**Key Words:** Cooperatives, Arms Industry, Foreign Trade, SME

### 1. INTRODUCTION

Huğlu, a town of the county Beyşehir, is located in a rocky place in 1410 m high on Toros Mountains, which is not suitable for agriculture and is in distance of 32 km to Beyşehir and 126 km to Konya. In 6<sup>th</sup> century, some part of nomad Turks, who came from Central Asia and engaged in breeding settled in

Huğlu and the other part of them, in the village Fığla in the provincial borders of Antalya in 8<sup>th</sup> Century. The people of Huğlu is inherently artistic. At the beginning, they sold the carts and oxcarts, water pumps, and watermills they made to their surroundings and caravans passing from there. After Balkan War, they have begun to the jobs of rifle repairing and manufacturing. As a result of shaping and assembling the iron and walnut tree by a master touch and machining with craftsman's skill and fussiness, Huğlu rifle won recognition over long years ([www.huglu.com.tr](http://www.huglu.com.tr)).

Rifle manufacturing is a valuable occupation, which forms with combination of many skills such as wood art, carpentry, painting, and design and which dates from the past to the present day. Passing down of this has a great importance in terms of both our culture and country economy. Huğlu Hunting Firearm Cooperative, with many firearm manufacturing businesses it incorporates, manufactures firearms by modernizing it from the past to the present days and, also exporting it to the many countries, especially USA, a great market in arms sector, it has become a leader organization undertaking the duty to contribute to economy. With the consciousness of the important role it undertakes, it is continuously renewing, making serious investments on R&D activities, and targeting on realizing long term strategic plans and programs toward market by taking place in fairs and foreign markets. This study aims to give information about the current situation of Huğlu Hunting Rifle Cooperative, which is an important power in supporting country economy.

## 2. COOPERATIVE SYSTEM

Cooperatives are organizations making contribution to the general economy, rationally using the resources the country has. But, the fact that people come together with understanding of union of forces, keeping to the voluntariness basis, and in addition, applying a democratic management approach are of the main criteria in cooperatives. Therefore, cooperatives have the three main features specified as economic voluntary cooperation, representative democracy, and participatory democracy (Akin, 2009:6).

"Hometown Funds", established in Şehirköy (Pilot) town in Rumelian territories of Ottoman Empire in 1863 November, is the first application of Turkish Cooperative System. Following First World War, in terms of that nation that is economically deprived of the impacts of Independence War organizes the solidarity and partnership relationship in the new state to be founded, Mustafa Kemal Atatürk got the "Draft Law of Cooperative Companies" prepared before declaring Republic. In this direction, due to the fact that agricultural sector, the main sector of the country, is affected from the crisis experienced in 1930s, the studies about providing finance for the farmers and marketing agricultural products were started as a result of this, the law, numbered 2834, about Agricultural Sale Cooperatives and Unions and the law, numbered 2836, about Agricultural Credits Cooperatives were enacted in 1935. For the cooperatives other than these, in the times passing until enactment of cooperatives law, the provisions of Turkish Trade Law were applied. In Turkey, when reached 1960s, economic and social problems, especially unemployment, increased; as a result of this, planning period in economic and social area was proceeded. In planning period, in order to increase production in rural areas and form employment in cities, several policies were developed. In no.6762 Turkish Trade Law that came into action in 1956, at the end of the part related to Trade Companies (items 485 and 502), arrangements related to cooperatives were given place. However, after 1960, the importance the government gives to cooperative system became concrete with putting provisions related to cooperative system to Constitution 1961 for first time (Items 51 and 52). In addition, after 1963, cooperatives have also begun to take place in development plans and programs (Türkiye Kooperatifçilik Raporu, 2017:5).

About Board of Directors and officers of cooperative unions, cooperative central unions, and Turkish National Cooperatives Unions, the provision of Item 62 is applied. The most authorized organ of cooperative unions, provided that there is no a contrast provision in the main contract, is general assembly consisting of cooperative representatives. Board of directors of Union are selected from among the representatives in general assembly of union. It is obligatory that the members to be selected for board of directors do not have to be from the representatives of the same cooperative. (Özen, 2013:40).

It is possible to mention about cooperative system in all areas of the life. In general, cooperatives can be put in order under five main titles. There are consumption, transportation, production, credit, and construction cooperatives (Balaban, 2010: 25).

### 3. WEAPON INDUSTRY AND FOREIGN TRADE STATUS OF HUĞLU HUNTING RIFLE COOPERATIVE

All over the world, although the past of weapon industry is based on pre-industrial revolution, globalization process has brought growth acceleration in weapon industry. Together with globalization, the fact that industrialization spreads the other regions and strengthens those regions has led hegemonic wars to begin, affecting power balances. Almost before global crisis, when especially dealt with post-2000 period, in the period of 2000-2009, when we regard to the distribution of 49% increase occurring in defiance expenses, [the countries spending the most money on weapons] are put in order as USA, China, France, United Kingdom and Saudi Arabia, respectively. When post-crisis expenditures are evaluated, it is seen that beginning from 2010, defense expenditures relatively regressed, while they amounted to \$ 1.7 trillion due to the increasing political tension in 2015. In the interval of 2010-2015, it is seen that USA spent money as much as the total of 14 countries following it and that China and Saudi Arabia followed it. In the crisis period, it is seen that Europe reduced expenditures due to valuation in Euro and the developing countries made investments in the direction of developing their weapon technologies (Şişman, 2017:223).

In Ottoman State, it is possible to generally mention about a manufacturing sector based on processing agricultural products and production of war materials. After industrial revolution, in view of that the factories, whose numbers are gradually increasing, remain completely dependent on Europe in supplying some spare parts belonging to steam machines, a cast iron factory was established in Beşiktaş in 1844. The factory, which tries to meet the needs of state factories in the vicinity, especially Tophane-i Âmire, for being able to provide its sustainability in economical meaning, also manufactured cast iron wares. Zeytinburnu Cast Iron factory, whose construction was started in 1843 but which could pass to manufacturing in the desired level in 1846, is the most lifelong one of heavy industry investments of Ottoman State (Soyluer, 2017:4).

Ottoman State used American technology in marine area for the first time. The hidden item, placed in the agreement of Turkish –American Friendship, Trade and Navigation, signed on May 7, 1830, is an indication of that Ottoman State wants to utilize the technological breakthrough realized in ship construction. That American-origin technology is intensively used for the second time, following about 30 years of interval, corresponds to the end of 1860s and comes to our face as trade of light weapons for this time. After 1860s, the use of needle riddle in European Armies became widespread. In these dates, that Ottoman State transformed muzzle loading riffles into back loading needle system in Tophane is an important development weapon industry (<http://dergiler.ankara.edu.tr/dergiler/18/1842/19403.pdf>).

After Second World War, also with the effect of foreign aids, the efforts made for developing defense industry became slower. Depending on that domestic orders of TSK decrease, military factories losing their productivities formed a burden on national budget. On all of these reasons, military factories were included in General Directorship of Machinery and Chemistry Industry Institute (MKEK), founded as State Economic Enterprise in 1950. For example, Airplane factory of Turkish Aeronautical Association, which realizes the production of THK-5A light transportation airplane and exports the ambulance version of the airplane under consideration to Denmark, was transferred to MKEK but the factory under consideration was transformed to the factory producing textile products. In the third five –years development plan (1973-1977), it was stated that a systemic connection would be made between providing the tools and materials National Defense Services requires in sufficient amount and national defense services and the importance of industrialization in the area of national defense was firstly emphasized. As a result of national reaction to embargo applied after Cyprus Peace Operation, the land, marine, and air forces strengthening foundations were established. It was understood that it could not be possible to close the deficit of defense equipment of TSK (Turkish Armed Forces), which has accumulated beginning from 1950s and gradually grown and, in this direction, In order to equip TSK and produce every kind of ammunition it needs, war tools and materials, equipment, machinery, device and systems as well as spare part, raw material, medication and medication raw materials, which will be used in making, maintaining, and repairing these, in 1983, General Directorship of Defense Equipment Enterprises, a public economic institute, which has legal personality, which is autonomous in its activities, and whose responsibility is limited with its capital, was established In

1984, TUSAŞ Aviation and Space Industry Corporation (TAI) , Aksa Machinery Industry Corporation and ETA Electronic Design Industry Corporation went into actions.

In 1985, with the law numbered 3238, in order to develop defense industry and modernize TSK, Presidency of Development and Support of Defense Industry Administration (SAGEB) was established. Presidency was restructured as Undersecretariat for Defense Industry (SSM) in 1989. With 2007-2011 strategic plan prepared in 2006, SSM went toward becoming a specialist supply institute, integrated into international market, which presents domestic solutions to the strategic defense and security needs of the country in the direction of technological developments and which gives direction to competitive industry in the direction of the mission to meet the system needs of TSK and public institutes and determine and apply the strategies and methods for developing defense industry In 2010s, in order to meet critical technologies and design abilities in maximum measure from home, weight was given to original design programs under responsibility of main contractor in home. The vision of SSM in 2012-2016 strategic plan was introduced as making Turkey dominant in defense and security technologies, and mission to manage industrialization and technological and supply programs, which will make continuous the development of the defense and security abilities of the country, was undertaken. 10<sup>th</sup> Development Plan (2014 -2018) emphasizes to bring together defense industry to a competitive structure, meet defense system and logistic needs as an integrated into country industry and sustainable way based on original design, use the suitable technologies with civil aims as well as to increase the rate of becoming domestic and the share allocated to R & D and support the network and clustering structures ([www.ssb.gov.tr](http://www.ssb.gov.tr)).

That Huğlu becomes an important region in weapon industry realized thanks to a foresighted entrepreneur. During world war, after Mr. Mustafa from Huğlu was recruited, in respect of his duty there, due to the fact that he becomes acquainted with weapons, he became pioneer in emergence of art of hunting rifle in Huğlu. On the reason for the geographical position of the region, in time, the interest of all people of town in rifle manufacturing has increased. This increase made unavoidable to meet under an institutional roof. Until 1962, individual manufacturing continued in Huğlu. Huğlu Hunting Firearm Cooperative impersonated an institutional institute with its 165 members on November 16, 1962 and in respect of today, entered among the top 10 firms known in the world. This enterprise starting with single collapsible rifle continued with manufacturing of double barrel rifle after 1962; superposed toward 80s, and semi-automated and pump rifle in the early 90s, and cooperative reached a position having the largest product range in its sector with the information and experience it acquired and its rich options in the direction of the desire of users. In respect of today, the firm being active with its closed area of 17.000 m<sup>2</sup> and total of area of 25.000 m<sup>2</sup>, 548 members and 450 employees, experience the right pride of exporting 80 % of the rifle it produced to especially USA, over 50 countries from France to Norway, from Lebanon to Botswana, and from Chili to Philippines. Firm raised its position in both home and abroad to higher levels with the foundation of ISO 9001 Quality Management System, ISO 10001 Environmental Management System, and OHSAS 18001 Occupational Health and Safety Management System, which have international validity ([www.huglu.com.tr](http://www.huglu.com.tr)).

In manufacturing process of hunting rifle, the various raw materials, semi-product materials, machineries, and chemicals are used. The requirements of interest led Huğlu Rifle Industry to make a very large supply relationship in country and world scale. Beside this, the machineries and electronic devices forming production tools are also largely supplied via import from the various countries (Çalışkan ve Manav, 2014: 162).

According to the field study of Huğlu Hunting Rifles, carried out by Mevlana Development Agency (MEVKA) in 2016, the first target set for Huğlu is to provide central positioning of defense industry in the production of light weapon. The second target set is to increase market share in foreign market. In the market of light weapon of \$ 10 billion, the sector determining the export of the year 2023 as \$ 500 million and the export of 2050 as \$ 2 billion targets on both increasing export rates and contributing to the production of light weapon of defense industry. Foreign trade SWOT analysis of Huğlu Hunting Rifles prepared by MEVKA is like in the following chart (Yalçın, 2016: 54).

**Table 1:** SWOT Analysis in the Direction of the Target to Increase Market Share of Defense Industry in Foreign Market for Manufacturing and Trade of Hunting Rifle in Huğlu

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• The experience of sector dating to long years</li> <li>• High competitive power of the sector in the domestic and foreign market in terms of cost, quality, and labor</li> <li>• Product diversity</li> <li>• Ability to be able to open to the new markets</li> <li>• Production and delivery in time</li> <li>• Flexible structure in meeting global demands</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequacy of qualified employee</li> <li>• Branding</li> <li>• Publicity and Marketing</li> <li>• Not being able to install the culture of moving together</li> <li>• Not being able to strategically determine the target markets</li> <li>• Decreasing in manual labor (specific production) due to mass production and especially not being able to make 3 dimensional gravure engravings</li> <li>• Lack of R &amp; D investments</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Economic Crisis experienced in EU</li> <li>• Much more strengthening image of Turkey in abroad every passing day</li> <li>• Extreme attraction of the products for the new markets, especially South Africa</li> <li>• Governmental incentives for production and export</li> <li>• In the region, the presence of MYO that can be restructured in the framework of the needs of sector</li> </ul>	<ul style="list-style-type: none"> <li>• Demand shrinking in EU and USA (A large part of businesses in neighboring settling place makes contract manufacturing for the brands in EU and USA)</li> <li>• Under the counter production in neighboring production place (Üzümlü) and the region is prevalent and the products manufactured here are in low-quality. In addition, the products manufactured in these places are exported in very low prices like \$ 30-40 and both the image of the region and export figures in foreign trade are negatively affected from this case. Another problem is also contact manufacturing made by using the name of known brands of the region.</li> <li>• Insufficient space</li> <li>• Lack of social, cultural, and economic facilities to attract qualified employees in the region</li> <li>• Decreasing population (that especially young people leave the region in the first opportunity)</li> <li>• That the young people in the region go toward the different sectors (although there is a need for them in the sector)</li> <li>• Marketing Perception (Although 80 percent of the production made in the region are exported, a professional marketing unit is not established in any business and, beyond this, such a unit is not needed)</li> </ul>

(Yalçın, 2016: 54).

#### 4. CONCLUSION

The subject of the study is to collect information for rifle hunting business. The story that began in First World war, nowadays, crossing Turkey borders, enabled Huğlu to become a real brand. Huğlu Hunting Rifle Business, mentioned together with mastership, are used by hundred thousands of people with reliability and loyalty as a brand. Mastership is not expression of a simple skill for Huğlu hunting rifles. Behind these words, the knowledge, skill, and development over 100 years lie (www.huglu.com.tr). Insomuch as the raw material, technology, production processes, and quality control mechanisms include high-quality processes, the emerging product becomes in so compliance with world standards. Huğlu Firearm Cooperative, with its experience and marketing network based on long years, giving importance to the innovations and R & D studies in rifle production, targets on proceeding with sound steps in world weapon industry.

Huğlu Hunting Firearm Cooperative, in the direction of this target, in August 2018, met its foreign shareholders for strategic plan 2019-2023. In the scope of 2019-2023 strategic plan, cooperatives making the first shareholder meeting with its domestic shareholders held a meeting of “Today for Tomorrow” with its foreign shareholders in Konya in August 2018. Huğlu Hunting Firearm Cooperative, in order to make sustainable its achievement of the production, sale, and fiscal affairs it has caught for the recent years, is continuing its works without stopping. In the meeting, in which General Director of Cooperative System of Ministry of Trade, president of Undersecretariat for Defense Industry Administration, rector of Necmettin Erbakan University, president of Konya MMO, president of Beyşehir Chamber of Commerce, chambers of trade and industry in the region, suppliers, distributors, and many shareholders participated, the opinions and suggestions for the development of Huğlu were interviewed through common values. Huğlu Hunting Firearm Cooperative, which increases its role in defense industry, is continuing its efforts to increase growth rate and its achievement that passes down without stopping (<http://www.huglu.com.tr/kategori/news>).

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