

Regional Studies Association Annual International Conference 2010

Pécs, Hungary, May 24-26, 2010

**ETHNIC ENTREPRENEURSHIP AS A GATE TO A MORE ENTREPRENEURIAL
ROMANIA. THE CASE OF TURKISH ENTREPRENEURS¹**

Prof.Dr. Daniela L. Constantin, Prof. Dr. Zizi Goschin,

Prof.Dr. Mariana Dragusin, PhD Cand. Valeria Padina

ACADEMY OF ECONOMIC STUDIES OF BUCHAREST, ROMANIA

Abstract. *At present the contribution of ethnic minorities living in various countries to the economic prosperity and cultural diversity of those countries and the integration of ethnic minority communities in the host country's civil society are two issues of major interest, in the last decades, a specific response to these issues has been ethnic entrepreneurship. Research studies on motivation and critical success conditions for ethnic entrepreneurs demonstrate that performance conditions vary across ethnic groups. These studies also emphasize the role of education, informal social networks and traditional cultural attitudes in shaping entrepreneurial spirit and practice (Masurel et al., 2002). Based on these overall considerations our paper proposes a spotlight on Turkish entrepreneurs in Romania, as a success story which can provide meaningful lessons in the current international context. It demonstrates the role played by the robust ethnic entrepreneurship of the Turkish minority, mirrored not only by the development of successful economic businesses, but also by the construction of a cultural identity in the host country.*

Keywords: ethnic entrepreneurship, civil society, cultural diversity, Turkish entrepreneurs, Romania, statistical data, in-depth interviews.

JEL Classification: F16, F21, F23, J61

Introduction. Main approaches to ethnic entrepreneurship

The complex concept of *entrepreneurship* refers to the process of starting new organisations, particularly new businesses, or to revitalising mature organisations as a result of identifying,

¹ An extended presentation of the research that served as starting point for this paper development can be found in Constantin, D. L., Goschin, Z., Dragusin, M., "Ethnic entrepreneurship as an integration factor in civil society and a gate to religious tolerance. A spotlight on Turkish entrepreneurs in Romania", *Journal for the Study of Religions and Ideologies* (http://jsri.ro/current_issue) Vol.7, No. 20 (Summer 2008), pp. 28 – 41

evaluating, seizing an opportunity in the market and bringing together those resources required for success (Cornwal, 2005).

Modern growth theory, which can be said to have started with Schumpeter's work (Schumpeter, 1949), stresses *the role of entrepreneur* (or businessman), considering that the quality of his performance determines whether capital would grow rapidly or slowly and whether this growth would involve innovation and change.

Most definitions (Knight, 1967; Ducker, 1970) relate entrepreneurship to *risk taking*, addressing this concept as the ability to make an informed decision and to take responsibility for the consequences of action resulting from that decision.

In the past decades, an unprecedented dynamics in the functioning, organisation and location of business firms, associated with *the trend towards a multicultural society* observed especially in urban areas, have created "the seedbed conditions for new entrepreneurial activities, which find their origins in the specific socio-cultural habits of an ethnic segment of population" (Masurel et al., 2002, p.238). These activities are usually approached in terms of *ethnic entrepreneurship*, which is reflected by "an increasing participation rate of ethnic minorities in the labour market and, in parallel to this trend, a significant increase in the number of ethnic minority-owned businesses" (Baycan-Levent et al., 2006, p.9).

The *roots* of ethnic entrepreneurship can be found in a variety of *structural and cultural factors*. The structural factors refer to the rapidly rising inflow of foreign migrants, economic constraints in the host country, poor access to market, and high unemployment (van Delft et al., 2000; Baycant-Levent et al., 2003), whereas the cultural ones concentrate on specific values, skills, social relationships rooted in kinship ties ("embeddedness"), cultural features including internal solidarity and loyalty, flexibility, personal motivation, work ethics, networks within the same ethnic group, flexible financing arrangements, etc. (Granovetter, 1985). From a synthetic perspective, *the interaction model* proposed by Aldrich and Waldinger (1990) states that *opportunity structures* (such as market conditions, access to entrepreneurship), *predispositional factors* (such as aspiration levels, language deficiency, migration motives) and *source mobilisation* (such as ethnic social networks, cultural and religious commitment) are decisive factors for creating successful entrepreneurial strategies (Baycant-Levent et al., 2003).

In the literature devoted to ethnic or migrant entrepreneurship, *various concepts and categories* are employed, reflecting the broad coverage of this term, in this context, Basu (2006) reveals that terms like "*ethnic entrepreneurship*", "*immigrant entrepreneurship*" and "*minority*

entrepreneurship” are frequently used, in an interchangeable manner. Nevertheless, the author agrees with Chaganti and Greene (2002) in that there are *subtle differences* between these terms.

Thus, in speaking about ethnic entrepreneurship, “*ethnic*” may refer to “a set of connections and regular patterns of interaction among people sharing common national background and migration experiences” (Waldinger, et al., 1990, p.33).

Immigrant entrepreneurs represent recent arrivals in a country. They often start a business as a means of economic survival, based on their individual connection with former migrants or non-migrants of a common origin (Basu, 2006).

Minority entrepreneurs are business owners who do not belong to the majority population (US Department of Commerce, 1997). Accordingly, a minority entrepreneur “may not be an immigrant and may not share strong sense of group solidarity within an ethnic group, in terms of shared history, religion or language” (Basu, 2006, p.582), in addition, “an ethnic entrepreneur may or may not be an immigrant, but is likely to belong to a minority community”(Basu, 2006, p.582).

Considering the research focus of our article and in keeping with Basu’s definition, we will use the term of ethnic entrepreneurship as referring to ethnic minority entrepreneurs, immigrants included.

As regards the *area* covered by ethnic minority businesses, in the beginning these businesses aim to serve mainly the needs of the ethnic community they belong to. Then, gradually, their market area may expand towards a broader coverage, and they tend to become a significant part of the local economy (Masurel et al., 2002), in this respect a distinction should be made between *internal orientation*, when entrepreneurs produce for their own ethnic niches and *external orientation*, when they cover a wider market. The latter is closely related to the so-called “*break-out strategy*” in ethnic entrepreneurship, and can be defined as “a strategy to get away from the situation in which own ethnic groups dominate such factors as capital, clients and employees”(Baycant-Levent et al., 2005, p.158, Baycant-Levent et al., 2009). Such a strategy should aim at crucial changes in products, people, place, promotion and price. Higher skills, diversified communication channels and access to government policy support measures are envisaged as key success factors.

The *socio-economic benefits* of ethnic entrepreneurship, especially the urban one, with a predominantly external orientation, consists of *social bonds in a cultural network*, which create flexible ways to attract personnel and capital, the potential of organising *businesses at the*

interface of two cultures, namely the own culture and the host country's culture (e.g. restaurants, travel agencies, etc.), and the capacity to generate *market niches for specific cultural goods* (e.g. music, food), where "ethnic goods" become sometimes "normal goods" (e.g. Italian pizza, Turkish kebab, Chinese food) (Masurel, et al., 2002, p. 240). It also brings an important *contribution to reducing social exclusion and raising living standards* in groups that can often be among the most disadvantaged in society². Moreover, when ethnic minorities and ethnic entrepreneurs concentrate in particular localities, they can influence the development of local economies as a whole and the standard of living within them (CEEDR, 2000, p. 191).

Given the diversity of issues entailed by ethnic entrepreneurship, *a multitude of research approaches*, multi- and interdisciplinary in nature, are usually employed. These approaches can combine *investigation tools* specific to sociology, organisational behaviour, management, economics, geography, demography, etc. So far *empirical research* has been based to a higher extent on *survey questionnaires* and *in-depth interviews*, rather than solid *statistical modeling* (Masurel, et al., 2002). However, the *findings* have brought about useful and interesting information about motivation and orientation, barriers and success factors, labour and capital conditions, customer relationships, gender and generation differences, culture and religion-based differences, integration in host society, the importance of social networks (Bourdieu and Wacquant, 1992; Westlund, 2006; Assudani, 2009; Fischer and Nijkamp, 2009), and traditional attitudes in shaping entrepreneurial spirit and practice.

Based on these overall considerations our study proposes a spotlight on Turkish entrepreneurs in Romania, as a *success story* which can provide meaningful lessons in the current international context.

Our choice of the Turkish community for this research is based on several reasons:

(a) There is a long history of Romanian and Turkish relationships and Turkish entrepreneurs were among the first to come and develop business in Romania in the early 1990s. At that time Romania

² There are also studies that emphasize the limits of ethnic entrepreneurship. For example, Feldman makes the distinction between "*ethnic resources*" and "*class resources*" in relation with the influence of ethnicity, discrimination or "outsider" status on business development and hiring of co-workers. Starting from the case of ethnic entrepreneurs in the Swedish ICT sector he demonstrates that "'class resources' are often decoupled from systems to extend ethnic employment", pointing out that "it is often difficult to find ethnic entrepreneurship generating many qualified jobs for workers of immigrant background" (Feldman, 2006, p.84).

already had an important Turkish community in Dobrogea, which served as a bridge between the two countries.

(b) Turkish entrepreneurs have had a significant contribution to the success of transition to a market economy, as well as to economic recovery, in post-1989 Romania. A very important aspect of this is their support to creating an entrepreneurial culture in Romania, based on their successful integration in the Romanian economy whilst preserving their cultural identity and respecting the basic values of Romanian society.

(c) Affiliation to ethnic and professional associations, as forms of networking, has far-reaching consequences not only for the rates of business creation, survival and growth, but also for smooth integration into civil society. These associations' contribution to informing (about the market, the legal and institutional framework of business), supporting, counselling, teaching, etc. entails a higher visibility of this category of businessmen. Turkish entrepreneurs prove a very good understanding of the importance of professional associations and of combining their efforts in order to have a greater impact on the market. At the same time, their co-operation with various associations representing the Turkish minority, as well as with other organisations in Romanian civil society has produced synergic effects in the economic and socio-cultural environment.

Starting from the early 1990s, the phenomenon of immigration, mainly for economic and political reasons, contributed to an increase in multiculturalism in Romania. For a country such as Romania, which did not experience large scale immigration in the past, it has become important to prepare for the challenges brought about by immigration and to anticipate possible tensions based on ethnicity and religion. Taking into account Romania's previous experience of ethnically and religiously diverse regions like Dobrogea, we consider that Romania can offer a genuinely sustainable model of multicultural co-existence. At the same time, Turkish entrepreneurs offer a model of ethnic entrepreneurship able to increase opportunities for a more entrepreneurial Romania, combined with a model of successful integration of ethnic groups into our civil society.

Turkish entrepreneurs: quantitative and qualitative aspects

Turkish entrepreneurs, with their minority and professional associations acting in Romania are a success story which can provide meaningful lessons in the current international context. The case of Turkish entrepreneurs in Romania is preceded by an analysis of their place and role in EU countries, where Turkish minority communities are more and more numerous and visible.

A. EU and Turkish entrepreneurs (Euro-Turks)

There was a population of over 3.7 million Turks in the EU in 2001, the present number rising to an estimated figure of 5.2 million according to a recently published book by Faruk Şen, director of the Turkey Research Centre Association – TAM (Şen, 2007, p.27). Romania and Bulgaria are also considered in this statistic, both having a minority population of Turkish descent. The largest part (68%) is living in Germany, followed by France and Netherlands (Tümbas, 2003). Most of them have successfully integrated in the host society and a significant part is self-employed. The total number of Turkish entrepreneurs in the European Union has soared from 56,500 in 1996 to 82,300 in 2002 and to 124,500 in 2006, their investments also increasing from €5.6 billion in 1996 to €9.2 billion in 2002 and €10.9 billion in 2006.

Apart from a minority of Turkish descent which was already living in Bulgaria and Romania, the remaining population is mostly a result of immigration to EU countries since the beginning of the 1960s. Many of these immigrating Turks become entrepreneurs, mostly from the second generation. A large number of their businesses that average a yearly turnover of 462,000 Euro consist of family-owned and family-run businesses.

A comparative research of German-Turks and French-Turks (Ayhan and Kentel, 2004) found that there are three major groupings of Euro-Turks emerging in the migratory process.

- Bridging groups (40 %) consist mostly of people from the young generations, who managed to find a balance between homeland and ‘host’ land and are strongly affiliated to both.
- Breaching groups (40 %) feel more powerfully connected to the homeland.
- Assimilated groups (20 %) have successfully integrated in the host society and usually experience higher economic success.

Despite the differences between and within these groups, the research indicated that as a whole “Euro-Turks do not pose a threat to the political and social system of their countries of settlement, but rather have the willingness to incorporate themselves into the system”, at the same time contributing to “the redefinition of EU and Europeanness with their own social, political, cultural and economic identities” (Ayhan and Kentel, 2004, p.67).

B. Turkish entrepreneurs in Romania. Statistical findings and interview results

So far the ethnic entrepreneurship issue has been only indirectly, partially considered in Romanian scientific research, mainly in relation with the impact of foreign direct investments, the integration

of immigrants in Romanian society, the cultural and religious identity of ethnic minorities, etc. Therefore our paper proposes a spotlight on this subject, aiming to emphasize the contribution of Turkish entrepreneurs to the success of transition to the market economy as well as to the economic recovery in the post-1989 Romania. Quantitative considerations, focusing on socio-economic and religious aspects are accompanied by qualitative approaches which highlight the integration of Turkish entrepreneurs into the Romanian society and their open attitude towards cultural diversity and religious tolerance. The latter have mainly resulted from the *through in-depth interviews with top representatives of Turkish-Tartar minority associations in Romania and of Turkish Businessman Association (TIAD)*.

The significant Turkish population living in Romania (nearly 80,000 members³, including immigrants) is not a homogenous group. Romanian Turkish people, all of Muslims religion, can be divided into *two major groups*, with several differences between them.

A. *The old branch of the Turkish community* comprises *two minorities: Tartar and Turkish*⁴. All their members have Romanian citizenship and historical roots in Dobrogea region that dates back in the XIIIth century.

After 1990, both minorities founded distinct ethnic and cultural organisations, each of them represented by a deputy in the Romanian Parliament - Chamber of Deputies, namely the *Democrat Union of Turkish-Muslim Tartars in Romania* and the *Turks' Democratic Union in Romania*. They primarily serve to maintain culture, religion and tradition.

Neither Tartar nor Turkish minorities' members suffer from language barriers because they all speak Romanian along with their mother tongue and they are well integrated in Romanian civil society.

■ ***“Conflicts, tensions among Turkish community or between this community and other ethnic minorities or between it and the Romanian majority are unknown to me”*** outlined during the in-depth interview Mr. Iusein Ibram, Deputy in the Romanian Parliament, representative of the Turks' Democratic Union in Romania. This is a relevant

³ In the late 1980s the Turks living in Romania numbered about 41,000, mostly concentrated in the Dobrogea region.

⁴ *The (old) Tartar minority* is descending from the population that migrated from Turkish Empire via the Northern part of the Black Sea nearly 900 years ago. They are speaking the archaic Turkish language. According to the 2002 Census, the Tartar community amounted to 23,935 persons, representing a constant weight of 0.11% out of the total Romanian population. They are concentrated mainly in Constanta county (97.1%), the others living in Tulcea county and Bucharest. *The (old) Turkish minority* has Turkish border troupes coming from the South of the Black Sea (relocated in Dobrogea region) as ancestors; their presence was first dated back in 1264; this community counts 32,098 persons (also according to 2002 Census).

sign that Turkish minority has accepted the host country's culture and the lifestyle of the majority and viceversa.

■ Another important feature of this historical component of the Turkish community, with the same background as the majority population, is that “*it has a rather modest entrepreneurial education and training*” agrees Mr. Iusein Ibram. It is reflected by the low number of established companies and their small size. Their entrepreneurial spirit tends to be enhanced by the new orientation towards the market economy and the examples of new comers from Turkey.

B. *The new branch of the Turkish community consists of Turkish immigrants.* This branch has developed since 1990 and has been encouraged by a favorable legal and institutional environment for the business sector. It is adding to the already existing minority of Turks and Tartars settled on Romanian territory. This pre-existent Turkish community may have acted as a factor of attraction, together with geographical proximity and the new business opportunities Romania had to offer.

These Turkish people, most of them entrepreneurs, have come from *two different sources*.

● *The primary source was Turkey*, the country that provided entrepreneurs in *two waves*:

- *The first wave*, coming soon after 1990 (a few thousands), with modest capital started small ventures (e.g. bakeries, textile boutiques, etc.). The firms' financing was based on rather informal sources, such as personal savings, loans from family and friends, home equity loans. They sent positive feedback regarding the Romanian business environment, the civil society's open attitude, the tolerance towards foreign entrepreneurs.

- *The second, more consistent wave* has followed after a few years, as a result of encouraging performance obtained by the first wave of entrepreneurs. These immigrant entrepreneurs, highly motivated, have had usually previous experience in venture field, more developed financial skills, power in dealing with people, which, combined with the Romanian market opportunities, have been key to their business success. As these entrepreneurs have got involved in a large variety of economic sectors (retail, wholesale, manufacturing, finance, services, etc.), they have brought about an important qualitative change in the Turkish entrepreneurship phenomenon in Romania.

The highest concentration of Turkish entrepreneurs can be noticed in Bucharest, the rest of them being widely spread mainly in urban areas (Constanta, Brasov, Pitesti, Craiova, Cluj, Timisoara, etc.). It is useful to underline that small Turkish companies were established all over

the country (including the rural areas) as a sign of successful break-out strategies and also as a proof of high tolerance and acceptance on behalf of the Romanian population.

The two above mentioned groups refer differently to their country of origin. The “old” group of ethnic Turks has rather weak ties with Turkey, quite recently refreshed after 1990, whereas the “new” group has stronger links in order to keep open its members’ option for returning home. However, a growing number of the latter take on Romanian citizenship.

● *The second source has become the EU Turkish entrepreneurs* (so-called Euro-Turks), with residence in Holland, Luxembourg, Germany etc., having high financial potential and important managerial experience. They are joining the mentioned second wave usually for important projects, via establishing or buying major companies which require substantial capital.

As a result, Romania has become the largest recipient of Turkish direct investment in this region, reaching over 500 million Euro since 1989. Taking also into account large scale investments with Turkish capital, such as Azomures, Credit Europe Bank and Garanti Bank, which are registered in the Netherlands, Guven Gungor, general secretary of the Turkish Businessmen’s Association (TIAD) estimates the actual investment to be up to two billion Euro (Pehlivan, 2009).

According to the National Bank statement about foreign direct investments in Romania, on December 31st 2006 Turkish entrepreneurs were ranked 11th among the major investors in Romania (National Bank of Romania, 2008). One year later (December 31st, 2007), Turkish direct investments in Romania reached around 593 million dollars, as 10,242 companies with Turkish capital were registered in Romania and Turkey became the 10th investor country in Romania.

Romania’s EU accession has boosted Romania’s attractiveness for Turkish businesspeople, who become involved in almost every sector of the Romanian economy from manufacturing to real estate. The main fields of investment for Turkish companies were real-estate, construction equipment, the automotive industry, home appliances, textiles and food. Real estate currently became less attractive, due to the economic crisis: many companies revised their investment plans and there were some withdrawals as well.

The negative impact of the current economic crisis reversed the long upward trend in Turkey-Romania trade relations, determining a 41 % drop in the level of bilateral trade in 2009 compared to 2008. This should not be seen as a deterioration the bilateral relations, since both Turkey and Romania experienced strong decline in most of the economic activities, including

trade relations with other countries. As Mr. Omer Susli, President of the Turkish Businessmen Association points out: “*there is not a decline in terms of the quality of the relation but the quantity*” and there is a very well established base for the post-crisis revitalizing of the relations (TIAD, 2010). Even so, Turkey remains an important partner of Romania’s foreign trade, owing in 2009 the 4th place in terms of export and the 6th place in terms of import.

Turkish businessmen plan to double their investments in Romania in the next two years, from the last year about 4 billion euro aiming to reach 8 billion euro. Currently, Turkish capital investments in Romania rest in the banking, constructions, production or retail sectors. Among the most important companies investing in Romania are Nokta, Arcelik, and Kombassan, which are the main shareholders in companies such as Azomures, Arctic Gaiesti and Rulmentul Barlad-Erdemir, Dentaß, Finans Bank and Yaşar, alongside the Efes, the beer-producing arm of Turkish conglomerate the Anadolu Group and Pak Holding (Pakmaya Group) involved in yeast production. FIBA Holding has a chain of supermarkets in Romania, under the Gima brand, and it is also active in the finance sector, with Finansbank, Finans Leasing and Finans Securities. Another well-known name is Anchor Group, one of the leaders on the local real estate market, who is involved in famous projects such as the Bucharest Mall Plaza Romania. There is also a growing interest in the banking and finance sector as well: Libra Bank, Garanti Bank International, Robank (purchased by Bayraktar Holding and British Balli Group) and others which have long been of great support to the Turkish expanding investments in Romania.

The early and powerful presence of Turkish entrepreneurs in the Romanian economy also generated a strong enhancement of bilateral commercial exchange. Since 1989 economic relationships between Romania and Turkey have displayed both diversity and sustained increase, their bilateral foreign trade exceeding 5 billion dollars in 2006 and reaching 6.7 billion dollars by the end of 2007.

This steady ascending trend, which grew particularly strong since 2002, brought Turkey up to the fourth place among Romania’s trading partners, after Italy, Germany and France and, considering Romania’s growing attractiveness as an EU member, we may suppose it is going to keep at high levels in the future, despite the temporary decline in bilateral trade due to the current economic crisis. At present, Romania and Turkey represent each other’s number one trading partner in the Balkans, while Turkey is Romania’s second trade partner in the Black Sea region, after the Russian Federation.

A strong contribution to this dynamism had the conclusion of bilateral agreements, such as the ones avoiding double taxation, the mutual protection of investments and, particularly, the Free Trade Agreement. During the official visit (March 2-4, 2008) of the Turkish President Abdullah Gül to Romania a number of agreements were concluded, including contracts on mutual protection and promotion of investments, cooperation programmes on culture and a maritime agreement. Cooperation in implementing strategic projects, mainly in the energy field, such as laying an undersea electric cable between Constanta and Istanbul and the Nabucco gas pipeline were also discussed.

According to the “Turkish Business in the Black Sea Economic Cooperation Region”, another important area of cooperation is the tourism industry. The Ministries of Tourism of Turkey and Romania have already signed a memorandum of cooperation in this field.

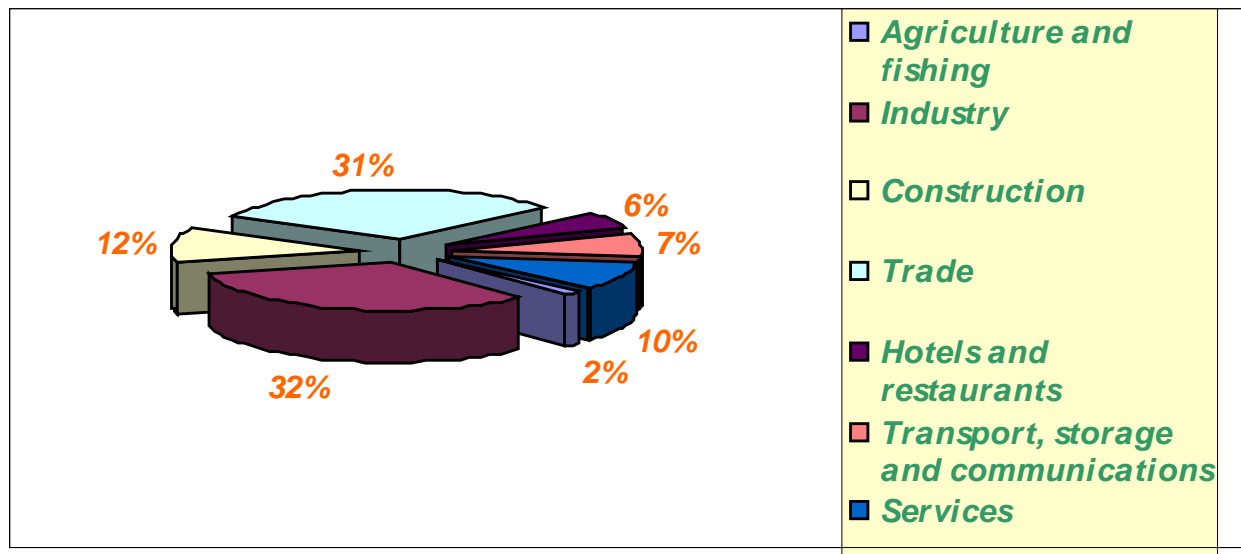


Figure 1. Turkish entrepreneurs in Romania by economic activity in 2007

Source: data from T.I.A.D. (Turkish Businessman Association), *Romania. Businessmen and Investors Guide, 2007-2008* (Bucharest: TIAD-YAYINIDIR, 2007), pp.190-202. Processed by authors.

Figure 1 illustrates the percentage distribution of the total Turkish entrepreneurs in Romania according to their economic sector of activity. The weight now lies in industry and trade (wholesale and retail sale of food and non-food production), but construction also gets an important share and services are increasing (especially real estate investments and transactions, banking, business consultancy). This is an increase in diversity and also an important qualitative change from the early 1990s, when small food business and import and distribution prevailed. When the legal regulatory framework of investments was completed and the business climate was

improved, larger firms began to show an interest in Romania focusing mainly on the service and manufacturing sectors. These movements towards bigger and more diverse businesses are consistent with the trends noticed in other countries which experienced an increasing presence of Turkish entrepreneurs in their economies, such as Germany (Tümbas, 2003).

Turkish entrepreneurs have integrated themselves to an important extent into the host Romanian economy, contributing to the development of the country and benefiting from its dynamic market at the same time. Their presence has had a complex impact on the Romanian economic and social environment.

They contributed to a more diversified range of products supplied, raising competition and indirectly their quality. Nevertheless the experienced immigrant entrepreneurs provided role models for the local population where they settled their businesses. The relation that has been built up with Romania is also reflected by the fact that the customers of Turkish entrepreneurs are not just Turks but also Romanians, as an expression of applying break-out strategies on a large scale from the very beginning.

Beside investments as such, Turkish entrepreneurs also create an important number of jobs. They usually provide jobs not only for themselves and their families but also offer job opportunities to other people. The competitive pressure of the labour market forces Turkish entrepreneurs to have a professional management and better understanding of the market.

■ ***“Turkish entrepreneurs do not practise any discrimination based on ethnic criteria while they hire their employees, in fact, more than 95% of the personnel does not belong to the Turkish community”*** mentioned Mr. Halit Öztürkmen, the President of the Turkish Businessmen Association. This open attitude offers the chance to strengthen communication and other forms of interaction with the majority population.

The integration of Turkish entrepreneurs in civil society is made smooth by *complex networks of several professional associations, ethnic and religion-based organisations* with strong connections at national and international levels⁵.

■ ***The Turkish Businessmen Association (TIAD), having more than 140 members, is one of the most dynamic organisations. It is involved in supporting the economic activities of its members in the “Romanian friendly environment” as stated by TIAD’s President. He also confirms that “definitely there are not specific obstacles for Turkish entrepreneurs in Romania. This is one of the main reasons they have chosen to do business here”.***

⁵ For example, TIAD is affiliated to the international network of Turkish businessmen associations.

The fact that they do not feel discriminated in any way has a positive impact on the sense of belonging and, thus, on the integration process.

An intense cooperation was established between TIAD and the two leading minority organisations (*the Democratic Union of Turkish-Muslims Tartars in Romania* and *the Turks' Democratic Union in Romania*) in order to support social, religious and cultural projects concerning the whole Turkish community. Several cultural events have been organised in close cooperation with other ethnic organisations and the Department for Inter-ethnic Relations, aiming to enhance unity, peace and stability among minorities.

■ A pro-integration approach is displayed by important leaders of the Turkish community on the issue of its children's education. ***“Our children follow Romanian schools in order to better integrate in Romanian society where they will live and work. To learn the Turkish language they attend special courses, usually at weekends”*** – underlined Mr. Gelil Eserghep, a Deputy of Tartar origin in the Romanian Parliament. And this happens even if in Romania minorities have the official right to open up undergraduate schools. The leaders of the Turkish community consider that in this way the younger generation is gaining from the socialisation and education in Romanian schools.

A subtle factor impacting Turkish entrepreneurship in Romania is religion. Even if they belong to different main religious denominations, Romania and Turkey generally show little differences with respect to people's opinions on religious beliefs and practice. Both Romania and Turkey provide religious freedom by constitution, their governments respect the right to freedom of religion in practice and the relations are generally amicable between different religions. However, international studies indicate that a greater religious freedom exists in Romania (e.g. Freedom House, 2000), which can positively influence the entrepreneurial decisions.

■ The Turks' Muslim religious background is significantly different in cultural terms when compared with the majority's Orthodox Christian religion in Romania. At the same time ***“Turkish Muslims are, in comparison with other Islamic people, more flexible and therefore more open and reform-oriented”*** says Mr. Gelil Eserghep, a Deputy of Tartar origin in the Romanian Parliament. ***“We are the ‘orthodox’ part of the Islamic religion”*** underlines Mr. Iusein Ibram, the representative of Turks' Democrat Union in the Romanian Parliament.

■ An undeniable proof in that sense is Turkish women's involvement in business. ***“Approximately 20% of all Turkish companies in Romania are entirely or partially***

owned by women. Four of them are TIAD members” revealed Mr. Halit Öztürkmen, the President of TIAD.

Social and business relationships provide women entrepreneurs with information and easier access to resources, and shape expectations for new ventures and venture financing (Welsh and Dragusin, 2006). Turkish women entrepreneurs also settle a good example of access to professional life, raising awareness among both Turkish and Romanian women.

■ Another interesting aspect which regards the preservation of the minority group cohesion is the attitude towards ethics and moral principles. *“Community members are very committed to the traditional moral and family values: family relationships are of crucial importance. There is also a high respect for the truth”* says Mr. Gelil Eserghep. Through bi-national marriages, new family ties are formed. This life philosophy increases confidence not only inside the ethnic community but also in relationships with the business community and all components of civil society, facilitating integration and preserving identity as well.

Concluding remarks

Romania, which displays important ethnic minority diversity, can offer a real and sustainable model of multicultural co-existence.

The *positive impact* of ethnic entrepreneurship, especially in the urban areas, with a predominantly external orientation, consists of *social bonds in a cultural network*, which create flexible ways to attract personnel and capital, the potential of organising *businesses at the interface of two cultures*, namely the own culture and the host country’s culture and the capacity to generate *market niches for specific cultural goods*. It also brings an important *contribution to reducing social exclusion and raising living standards* in ethnic groups. Moreover, when ethnic minorities and ethnic entrepreneurs concentrate in particular localities, they can influence the development of local economies as a whole and the standard of living within them.

The smooth integration of the Turkish community, in general and that of Turkish entrepreneurs, in particular, despite different traditions and religious background, is a successful example. Turkish entrepreneurs have not encountered serious barriers in Romania as compared to other EU countries.

Our paper has demonstrated the role played by the robust ethnic entrepreneurship of the Turkish minority, mirrored not only by the development of successful economic businesses, but also by the construction of a cultural identity in the host country.

Turkish entrepreneurs have proved a very good understanding with regard to the importance of professional associations and the ways of combining their efforts in order to have a greater impact on the market. At the same time, their co-operation with various associations representing the Turkish minority as well as other organisations of Romanian civil society has led to synergic effects in the economic and socio-cultural environment, in this respect, a distinctive feature of the Turkish community in Romania is represented by its combination between the “old branch”, mainly living in Dobrogea region, and the “new wave” of dynamic immigrants established in Romania since 1990.

Romania becomes increasingly attractive for the Turks settled for decades in Western Europe as well, and this can determine a growing share of Turkish capital as well as a higher quality of the entrepreneurial culture in the Romanian economy.

From a research viewpoint, all these phenomena can generate challenging niches of investigation in an interdisciplinary context.

References

Aldrich, H.E., Waldinger, R., „Ethnicity and Entrepreneurship”, in *Annual Review of Sociology* 16 (1990), pp. 111-35

Assudani, R.H., “Ethnic entrepreneurship: the distinct role of ties”, in *Journal of Small Business and Entrepreneurship*, Spring (2009)

Ayhan, K., Kentel, F., “Euro-Turks: A Bridge, or a Breach, between Turkey and the European Union? A Comparative Research of German-Turks and French-Turks”, paper presented at the OSCE Conference on Tolerance and the Fight against Racism, Xenophobia and Discrimination, Brussels, Belgium, September 13-14, 2004, http://www.osce.org/documents/cio/2004/09/3533_en.pdf

Basu, A., “Ethnic minority entrepreneurship”, in M. Casson, Yeung, A. Basu, N. Wadeson (Eds), *The Oxford Handbook of Entrepreneurship*, Oxford University Press, 2006, pp. 581-600

Baycant-Levent, T., Nijkamp, P., Sahin, M., “New orientations in ethnic entrepreneurship: motivation goals and strategies of new generations of ethnic entrepreneurs”, in *International Journal of Foresight and Innovation Policy* 5/1-3 (2009), pp.83-112

Baycan-Levent, T., Gülümser, A.A., Kundak, S., Nijkamp, P. and Sahin, M, “Diversity and Ethnic Entrepreneurship”, Position Paper of Research Task 4.4, Diversity and ethnic entrepreneurship: Dialogue through exchanges in the economic arena, SUS.DIV (Sustainable Development in a Diverse World), 2006, http://www.susdiv.org/uploadfiles/RT4_4_PP_Tuzin.pdf

Baycan-Levent, T., Masurel, E., Nijkamp, P., “Trends in break-out strategies of ethnic entrepreneurs”, in T. de Noronha Vaz, E. J. Morgan and P. Nijkamp (Eds), *The New European Rurality. Strategies for Small Firms*, Ashgate, 2005, pp. 143-56

Baycan-Levent, T., Masurel, E., Nijkamp, P., “Diversity in entrepreneurship: ethnic and female roles in urban economic life”, in *International Journal of Social Economics* 30/11 (2003), pp. 1131 – 61

Bourdieu, P., Wacquant, L.J.D., *An Invitation to Reflexive Sociology*, University of Chicago Press, 1992

C.E.E.D.R.. “Young Entrepreneurs, Women Entrepreneurs, Co-Entrepreneurs and Ethnic Minority Entrepreneurs in the EU and Central and Eastern Europe”, Final Report to the European Commission, DG Enterprise, Centre for Enterprise and Economic Development Research (CEEDR), Middlesex University Business School, U.K., July 2000, <http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-studies/entrepreneurs-young-women-minorities.htm>

Chaganti, R., Greene, P.G., “Who are ethnic entrepreneurs ? A study on entrepreneurs’ ethnic involvement and business characteristics”, in *Journal of Small Business Management* 40/2 (2002), pp. 126-43

Cornwall, J., “The Entrepreneurial Mind”, Belmont University, 2005, <http://forum.belmont.edu/cornwall/archives/004165.html>

Ducker, P., *Technology, Management and Society*, Harper & Row, New York, 1970

Feldman, J.M., “The Limits and Possibilities of Ethnic Entrepreneurship: The Case of ICT Firms in Sweden”, in *International Journal of Multicultural Societies* 8/1 (2006), pp. 84-101

Fischer, M.M. and Nijkamp, P., “Entrepreneurship and regional development”, in R. Capello and P. Nijkamp (Eds), *Handbook of Regional Growth and Development Theories*, Edward Elgar, 2009, pp. 182-200

Freedom House, <http://www.freedomhouse.org>

Granovetter, M., “Economic Action and Social Culture: The Problem of Embeddedness”, in *American Journal of Sociology* 91 (1985), pp. 481-510

Knight, F. H., “Laisser Faire: Pro and Con”, in *Journal of Political Economy* 75 (1967), pp. 786-95

Masurel, E., Nijkamp, P., Tastan, M. Vindigni, G., “Motivations and Performance Conditions for Ethnic Entrepreneurs”, in *Growth and Change* 33/2 (2002), pp. 238-60

National Bank of Romania, www.bnr.ro

Pehlivan, A., “Changing with the times”, Interview with Guven Gungor, general secretary of the Turkish Businessmen’s Association TIAD, in *The Diplomat*, 4/8 (2009)

Schumpeter, J. A., “Economic Theory and Entrepreneurial History”, in *Change and the Entrepreneur*, prepared by the Research Centre in Entrepreneurial History, Harvard University Press, 1949, pp. 63-84

Şen, F., *Euro-Turks: the Presence of Turks in Europe and their Future*, Günizi Yayıncılık Publishing House, Istanbul, 2007

T.I.A.D. (Turkish Businessman Association), *Romania. Businessmen and Investors Guide, 2007-2008*, TIAD-YAYINIDIR, Bucharest, 2007

T.I.A.D. (Turkish Businessman Association), “Turkey will continue to invest in the future of Romania”, Interview with Omer Susli, President of the Turkish Businessmen Association, Bucharest, 2010,

http://www.tiad.ro/index.php?option=com_content&view=article&id=217%3Aturkey-will-continue-to-invest-in-the-future-of-romania&catid=44%3Aanunturi&lang=tr

Tümbas, Y., “Turkish Migrant Entrepreneurs in the EU”, Allocution at the Brussels Mediterranean Days, Economy Day, Brussels, Belgium, November 27, 2003, <http://www.medeabe.be/index.html?doc=1650>

U.S. Department of Commerce, “The State of Small Business: A Report of the President”, Government Printing Office, Washington D.C., 1997

van Delft, H., Gorter, C., Nijkamp, P., “In Search of Ethnic Entrepreneurship Opportunities in the City: A Comparative Policy Study”, in *Environment and Planning C* 18 (2000), pp. 429-51

Waldinger, R., Aldrich, H.E., Ward, E. (Eds), *Ethnic Entrepreneurs*. Sage Publications, 1990

Welsh, D., Dragusin, M., “Women Entrepreneurs: a Dynamic Force of Small Business Sector”, in *Economic Amphitheatre* 20 (2006), pp. 60-8

Westlund, H., *Social Capital in the Knowledge Economy*. Springer-Verlag, 2006