

## Economics

# Ethnic Entrepreneurship: A Qualitative Study on Entrepreneurial Tendency of Meskhetian Turks living in the USA in the Context of the Interactive Model

--Manuscript Draft--

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# **Ethnic Entrepreneurship: A Qualitative Study on Entrepreneurial Tendency of Meskhetian Turks living in the USA in the Context of the Interactive Model**

## **Abstract**

Interactive model in ethnic business development is one of the models that has the quality to explain the entrepreneurial success of an ethnic group. The purpose of this study is to identify the entrepreneurial tendency of Meskhetian Turks living in Dayton, Ohio, the USA through interactive model asserted by Waldinger et al. (1990). In addition, as a case study, it is focused on business establishment and development processes of entrepreneur Meskhetian Turks, who have not been investigated in the field of business management before. Based on the findings from qualitative interviews, the role of interactive model in the process of ethnic business development is tested and it is seen that ethnic networks structurally and culturally play a significant role in business establishment and survival in business, business knowledge, raising of capital and labor supply. The point obtained in this study and not involved in interactive model is that “non-ethnic networks” emerge as an ethnic strategy for entrepreneur Meskhetian Turks. As a conclusion, adopting interactive model in ethnic entrepreneurship allows us to distinguish the roles of relationships in ethnic business development; however, indicates that non-ethnic networks should not also be ignored in the process of business establishment and development.

**Keywords:** *Ethnic Entrepreneurship, Interactive model, Ethnic Networks, Non-ethnic Networks, Meskhetian Turks.*

## **1 Introduction**

The studies on ethnic enterprise emerged in the United States in the last century as part of an attempt to explain historical differences in business activities among African-Americans,

Hispanics, and Asians and it was seen that a mutual interaction played a significant role especially in the opportunity structure and the characteristics of a group (Waldinger, 1989: 48; Waldinger and Aldrich, 1990:49). In addition, re-experience of mass migration to the USA, increasing importance of small businesses for the USA, significant entrepreneurial success of some new migrant groups, continuous low self-employment rates among native black people made the ethnic trade studies a living field (Waldinger, 1989: 48; Waldinger, Aldrich and Ward, 1990).

The studies concerning migrants and ethnic entrepreneurs were “The Notion of Class and Ethnic Resources” by Ivan Light, “The Concept of Intermediary Minority” by Edna Bonacich, the argument by Alejandro Portes on the establishment of “ethnic settlements” in 1970s and John Modell and Howard Aldrich published similar studies. Roger Waldinger joined these studies in the 1970s in the 1980s, and these researchers collaborated on ethnic entrepreneurship in the 1990s (Waldinger, 1989: 49; Fregetto, 2004: 166). Ethnic entrepreneurship is absolutely not a novel phenomenon for our modern society; however, potential entrepreneurs are the consequence of migration flows, sometimes for economic reasons and sometimes for reasons stimulated by foreign actors such as war, suppression, natural famine disasters (Masurel, Nijkamp and Vindigni, 2004: 78). Ethnic entrepreneurs often immigrated from less developed to more developed countries, particularly to attractive demographic areas in cities (Waldinger, 1989).

It is seen that some theories/perspectives unite the social, cultural and economic factors to explain the ethnic entrepreneurship. These theories are interaction model by Waldinger et al. (1990), blocked mobility perspective by Gold and Kibria (1993), (ethnic) social capital perspective by Sanders and Nee (1996), (integrated) residence in entrepreneurship by Kloosterman and Rath (2001), women entrepreneurship/ gender differences by Baycan/Levent et al. (2003) and ethnic diversity by Smallbone et al. (2010). These theories explain that the

purpose of ethnic groups in establishing a business is to survive in society by increasing their social mobility and obtain better economic conditions (Indarti, Hapsari, Lukito-Budi and Virgosita, 2021: 438).

How ethnic businesses emerged and developed even under adverse circumstances were comprehensively investigated in literature and cultural inclination and structural opportunities were defined as two most significant characteristics of ethnic entrepreneurship. In cultural approach, ethnic migrants are expected to have some culturally determined qualifications such as dedication to business, membership for a strong social network, risk acceptance, adaptation to social value patterns, solidarity and loyalty, which are prerequisites for economic success and entrepreneurial attitudes, when heading towards their own business. However, in structural approach, the external environment of ethnic migrants such as the existence of barriers to entry into the labor market and a socio-political boycott, or the need for maintaining an internal social identity is expected to play a decisive role (Masurel, Nijkamp and Vindigni, 2004: 79). In this sense, cultural approach expresses ethnic group characteristics and structural approach expresses the opportunity structure and therefore both two approaches can be stated as a synthesis of the interaction model asserted by Waldinger et al.

Researchers developed and used various theories and models to explain the concept of ethnic entrepreneurship (see. Fregetto, 2004). Interactional Model is one of the main approaches used to explain the entrepreneurial success of an ethnic group and it was based on the study called as *Structural Opportunity or Ethnic Advantage? Immigrant Business Development in New York* by Waldinger (1989) and later on it was developed with the study called as *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies* by Waldinger, Aldrich and Ward (1990). This approach explains the roadmap that an ethnic group follows in business development. Accordingly, it is said that there is not a single feature responsible for the

entrepreneurial success of ethnic entrepreneurs; however, success pertains to the interaction between the opportunity structure and ethnic group characteristics.

Entrepreneurs are one of the important factors that contribute to the change of a dynamic society with globalization in modern economic life (Ma, Zhao, Wang and Lee, 2013). Entrepreneurship is a phenomenon that encourages the creativity, initiative and freedom of individuals, who can take risks and utilize dynamic and complex opportunities in the context of uncertainty (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014) by bringing together the factors of production to contribute to economic growth and maximize profits (Mickiewicz, Hart, Nyakudya, and Theodorakopoulos, 2019). In a classic saying, entrepreneurship is to combine resources in new ways to create something of value (Aldrich and Waldinger, 1990: 112). Ethnic entrepreneurship is defined as “a set of connections and organized interaction models established among people, who share a common national background and migration experiences” (Waldinger, Aldrich and Ward 1990: 3). In this sense, an ethnic entrepreneur can be defined as the owner of a company that carries out business by encouraging solidarity, trust, flexibility and personal motivation (Chaganti and Greene, 2002) under the same roof with a social group of common origin based on relative cultural similarity.

Ethnic entrepreneurship refers mainly to small and medium-sized business activities carried out by entrepreneurs of a particular socio-cultural or ethnic origin and tends to be an indigenous and important part of the local economy (Masurel, Nijkamp, Tastan and Vindigni, 2001: 2). Ethnic entrepreneurship is a complex and multi-dimensional phenomenon with the impacts on various communities in different regions (Fernandes, Marques, Silva and Martins, 2022: 397). It is seen that some ethnic groups have higher business establishment rates than others especially among the first and second generation migrants (Aldrich and Waldinger, 1990: 113). Considering the discussions on ethnic enterprises, three different approaches can be suggested for the resources of ethnic entrepreneurship success; First is the traits that migrants

bring with them and that predispose them to carry out good business; second is the importance of opportunity structure as a prerequisite for business success; third are ethnic strategies that emphasize the interaction between newcomers' opportunities and ethnic group characteristics (Waldinger, 1989: 49). In this sense, it is important to focus on social, structural and cultural conditions, as higher levels of entrepreneurship cannot only be explained by the personal characteristics of their owners (Aldrich and Waldinger, 1990: 113).

Existing literature is reviewed in the study by addressing the discussions within conceptual and methodological issues related to ethnic entrepreneurship. In this context, the role of interactional model in business development is initially discussed. Accordingly, opportunity structure, characteristics of ethnic groups and ethnic strategies based on the interaction between opportunity structure and group characteristics are discussed. Afterwards, the method of the study is explained and the companies of entrepreneur Meskhetian Turks operating in Dayton, Ohio, the USA are used as case study. Business establishment and development dynamics of entrepreneur Meskhetian Turks in Dayton are discussed in the study within the context of interactional model and improvements are conveyed. The reason why Dayton is selected is that it is the region where Meskhetian Turks live the most in the USA. In addition, it is aimed to contribute to the field in practice by discussing the nature and scope of the entrepreneurial tendencies of Meskhetian Turks in the USA, which has never been investigated in the management dimension, in the context of the interactional model.

In this context, the research question of this study is: What is the role of interactional model in the entrepreneurial process of the businesses belonging to entrepreneur Meskhetian Turks in Dayton? Theoretical framework of this study will be discussed in the following part. Afterwards, method and data references used in this study will be explained in methodology part. After the methodology part, the status of the entrepreneur Meskhetian Turks concerning entrepreneurial process will be analyzed with a case study in the context of the interactional

model and the findings will be presented and finally, the conclusion part of the study will be included.

## **2 Interactional Model in Ethnic Business Development**

Waldinger et al. developed the Interaction Model to explain the complexity of ethnic entrepreneurship with a multidimensional approach rather than analyzing it constrictedly from a single perspective. In this sense, the interactional model offers a holistic understanding as it discuss the relationality between the dimensions that allow to reach a more comprehensive result in ethnic business development.

Interactional model is based on three components (Figure 1) as opportunity structures, group characteristics and strategies (Waldinger, Aldrich and Ward, 1990; Aldrich and Waldinger, 1990) and it provides an explanation of interactive factors that are required for ongoing operations of ethnic businesses. Accordingly, interactional model emphasizes that economic activities are resource mobilization through ethnic networks and interactive consequence of opportunity pursuit. According to Interactional Model, the strategies implemented by ethnic entrepreneurs are inclined by both opportunity structure and group characteristics. Opportunity structure consists of market conditions and entrepreneurs' ability to access business ownership. Group characteristics depend on entrepreneurs' predisposing characteristics and resource mobilization abilities.

Opportunity structures consist of market conditions that support products or services for co-ethnic groups and the conditions that a wider non-ethnic market is offered. Opportunity structures also include the accessibility to business opportunities and the access largely depends on the level of competition among ethnic groups and government policies. Group characteristics include predisposing factors such as blocked mobility, selective migration and aspiration levels. In addition, they include resource mobilization potentials and ethnic social networks, general

organizational capacity and government policies that restrict or facilitate resource procurement. Ethnic strategies burst out of the interaction of opportunities and group characteristics as ethnic groups adapt to their environment (Waldinger, Aldrich and Ward, 1990: 114).

According to Fregetto (2004: 170), Waldinger et al. state that ethnic strategies burst out of the interaction of four factors (Figure 2) and this provides a model in order to explain the ethnic strategies in ethnic business development as ethnic entrepreneurs use available resources to create their own niches. From this standpoint, interactional model provides a relational perspective that includes *opportunity structure*, which includes market conditions and blocked mobility, *ethnic community characteristics* such as ethnic social networks and close ties to ethnic groups, which contribute to ethnic entrepreneurs' success, *ethnic business strategies*, which arise from the interaction between ethnic group and opportunity structure and *settlement characteristics* of ethnic entrepreneurs. In this respect, interactional model offers a framework for ethnic entrepreneurs to see and get opportunities, especially in social, political and cultural terms.

## **2.1 Opportunity Structure**

The dynamism of entrepreneurship market depends on a set of intervening variables that influences and shapes the interaction between entrepreneurs and opportunity structure. Opportunity structure is the dynamic interaction between entrepreneurs and their social, political and economic environments that greatly influences entrepreneurial behavior and business success.

It is seen that opportunity structure consists of market conditions in ethnic markets, non-ethnic markets and open markets with growth potential accessible to newcomers to establish a business (Fregetto, 2004: 171). Entrepreneurs expand their businesses to non-ethnic markets after the success in services for ethnic settlements (Fregetto, 2004: 167). Market conditions

merely support the businesses that serve for the needs of an ethnic community and, in this case, entrepreneurship opportunities are limited or market conditions may support smaller businesses that serve for non-ethnic population and, in this case, opportunities are much greater (Aldrich and Waldinger, 1990: 114; Waldinger et al., 1990: 21). For that reason, the concept of open and closed market refers to the scope of entrepreneurial opportunities. Access to business ownership by potential ethnic entrepreneurs is majorly determined by the number of business vacancies, the scope of competition for vacancies and government policies for immigrant entrepreneurs (Waldinger et al., 1990: 28).

Ethnically diversified relationships represent a productive ground for opportunities and innovations, as well as enlarged and open markets, and also provide opportunities for the flow of knowledge and resources (Hartmann and Philipp, 2022: 157). The greater the cultural differences between the ethnic group and the host country, the greater the need for 'ethnic goods' and a niche market. However, no matter how big a niche market, the opportunities it offers are limited. Access to open markets occupied by local entrepreneurs is often blocked by financial and knowledge-based high entry barriers. However, all industries in Western economies are not characterized by inaccessible accumulation of knowledge (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014: 319).

Growth potential of ethnic entrepreneurs' businesses depends on the access to customers beyond ethnic community. Researchers determined four conditions that small ethnic businesses can grow in open markets: underserved and abandoned markets, markets characterized with small-scale economies, markets with unstable or ambiguous demand and markets for exotic goods (Aldrich and Waldinger, 1990: 116). Immigrants in the USA and some West European countries become populated around the core areas of city centers that are not suitable for the technological and organizational conditions of large businesses but in favor of small businesses and create a productive trading area. This indicates that market conditions support ethnic

businesses because owners of ethnic businesses have a protective market position and external environment supports the entrepreneurs, who are eager to take higher risks than normal ones. In this sense, ethnic entrepreneurs are true entrepreneurs as they take high risks under ambiguous conditions (Aldrich and Waldinger, 1990: 117).

As well as the market conditions, another factor that influences the enterprises of ethnic groups is access to ownership. What influences access to ownership is the level of competition among ethnic groups and government policies (Aldrich and Waldinger, 1990: 117). If the level of competition among ethnic groups is high, ethnic groups either concentrate on the industries limited in number or they are forced into exclusion and completely are out of business. Generally, economic exclusion reinforces the group adaptation, thus it increases the concentration of ethnic networks and therefore the access to group resources (Aldrich and Waldinger, 1990: 118). Planning government policies to support immigrant entrepreneurs in regulations regarding entrepreneurs accelerates the access to business markets. For instance, immigrant countries such as the USA put almost no official barriers for geographical or economic mobility of immigrants and therefore increase the potential business establishment rate for immigrants (Aldrich and Waldinger, 1990: 121).

## **2.2 Group Characteristics**

When immigrant groups from the same countries and regions create entrepreneurial profiles in certain industries and niches and utilize from their own ethnic networks for economic solidarity, they are regarded as “ethnic economies” (Light and Gold 2007). Waldinger et al. (1990) pointed that certain ethnic economies are informed by in-group characteristics such as socio-economic background as well as the opportunity structure of the host country. In addition, it is seen that the existence of in-group social networks plays an important role in migration policies, access to business markets and economic resources, in-group employment of labor

force and other economic activities. In conclusion, opportunity structure greatly influences the internal characteristics of the group correlatively (Flubacher, 2020: 119).

Aldrich and Waldinger (1990: 122) determined that group characteristics is a two dimensional structure, which consists of predisposing factors and resource mobilization. Predisposing factors refer to the skills and targets that individuals and groups bring along to access an opportunity. Resource mobilization means to what extent close ethnic ties and ethnic social networks and government policies help or encourage ethnic entrepreneurship. For instance, lack of language, low educational level and discriminatory behavior can be mentioned as predisposition factors. Communication networks, unofficial information channels, special government policies can be counted as the examples for resource mobilization (Masurel, Nijkamp and Vindigni, 2004: 79).

Ethnic entrepreneurs were comprehensively studied for their job seeking efforts and to potentially provide employment for other members of the same ethnic group (Flubacher, 2020: 119). It is seen that some immigrant entrepreneurs prefer self-employment as the only appropriate alternative to the low-paying jobs available in the secondary labor market (Aldrich and Waldinger, 1990). This is still valid for many immigrants (Ndofo and Priem, 2011). When immigrants and non-immigrants are compared with regard to self-selected migration and aspiration levels, which are entrepreneurial predisposing factors for immigrants, immigrants have greater risk tendency and aim economic mobility rather than social status (Waldinger, et al., 1990: 32-33; Aldrich and Waldinger, 1990: 125-126).

Establishing and running a business is a challenging task, and only a minority of them succeeds in keeping the business running. In this sense, it is an important factor that immigrant groups have a resource mobilization capacity to keep pace with the opportunity structure in the USA in their entrepreneurial success (Waldinger and Aldrich, 1990:49). Resource dimension includes cultural traditions and ethnic social networks. Explanation of cultural traditions is

based on the hypothesis that the self-employment of certain groups is a consequence of their particular cultural preconditions (Volery, 2007). Ethnic social patterns consist of kinship and friendship networks organized around ethnic communities and intertwining of these networks with the positions in economy, locations (housing) and society (organizations). In this respect, information is obtained about the role of ethnic entrepreneurs in raising of capital, employment, relations with suppliers and customers and about promising lines of business, especially through various indirect ties with their ethnic communities (Aldrich and Waldinger, 1990: 127). The structure of these networks varies depending on the group characteristics. While some groups have more organized families and high sense of loyalty and liability, others have disorderly organized families. In addition, some groups have special associations and media that disseminate information. As ethnic groups provide information, the result is often the accumulation or concentration of an ethnic group in a limited number of industries (Aldrich and Waldinger, 1990: 128). Family and ethnic networks as a resource is highly important in entrepreneurial activities. These ties may compensate many disadvantages that ethnic groups experience especially in a foreign environment (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014: 319).

### **2.3 Ethnic strategies**

Ethnic strategies are a dimension arising from the interaction between opportunity structures and group characteristics and they are dynamic. Ethnic business owners experience some challenges while establishing and running their businesses. They are: to be trained and to get the skills needed to run a small business, to employ and manage productive, honest and cheap employees, to manage the affairs with customers and suppliers, to survive in tough business competition and to protect yourself from political attacks (Aldrich and Waldinger, 1990: 130; Waldinger et al., 1990: 46-47). Ethnic strategy is to develop certain survival patterns in business life. For instance, willingness to work long hours for family members and self-

employment, forming alliances based on solidarity and loyalty with relatives, informal financing of business investments (Masurel, Nijkamp and Vindigni, 2004: 79).

It is seen in many studies that people use their social affairs to support their business establishment attempts (Portes and Zhou, 1992; Zhou, 2004; Vollery, 2007; Martinez and Aldrich, 2011; Chand and Ghorbani, 2011; Jan, 2017; Aldrich and Zimmer, 1986, Ndofor and Priem, 2011). Ethnic networks are based on the employment of the members of ethnic groups in businesses owned by the same ethnic groups, setting up own business with the support of partners from the same ethnic group and providing opportunities for purchasing and/or supplying ethnic goods and more (Waldinger, 1994). In addition, ethnic networks play an important role in location selection process of businesses for their activities, eliciting market information and reinforcing the residence (Bagci, Franz and Yavan, 2022: 202).

Individuals' desire to be successful in life leads them to deal with activities based on their cultural values, information, awareness and personal appreciations and to make choices often through creative processes when markets are ambiguous (Rath and Swagerman, 2016). Training and skills are typically obtained on the job within ethnic groups, often while working in the business of a potential owner from the same ethnic group or family member. Family and working in the same ethnic origin is crucially important for many small ethnic businesses. This type of labor force is mostly cheap and corresponds to working long hours in the service of employers (Aldrich and Waldinger, 1990: 130).

What makes immigrant entrepreneurs different from resident entrepreneurs is the access to labor markets in business activities (Valenzuela and Solano, 2022: 173). The existence of social networks based on common origin can be used as a functional tool for overcoming challenges in the local labor market, solidarity and mutuality. In addition, such networks support individual or collective experiences of discrimination and exclusion and facilitate the access to information, capital and organizations (Flubacher, 2020: 119).

It is not common to transfer the entire family network from the native country. Thus, the missing family ties increase the need to develop out of family ties for social and economic support. Light (1972) defines this situation as “immigrant brotherhood” (Fregetto, 2004: 167) and that is one of purpose of this study. In the following part, the information about the method of study will be given.

### **3 Method**

#### **3.1 A Brief History of Meskhetian Turks Living in the USA**

It is known that many nations in the world were exposed to exile in different periods. While Meskhetian Turks were living in Meshka region, which is in the northeast of Turkey and within the borders of Georgia today, the region came under Russian domination in 1829 and they were exiled to Kazakhstan, Kyrgyzstan and Turkmenistan in 1944 by Stalin, the leader of Soviet Union at that period, and no Turks were left on these lands (Aydingün et al., 2006; Buntürk, 2007; Kolukırık, 2011).

Meskhetian Turks living in Uzbekistan had to leave and migrate to other lands as a result of the events happened in Fergana in 1989. Troubles for Meskhetian Turks, who started to live in different regions of Russia with this second migration, continued there as well. Meskhetian Turks, who started to live in Krasnodar Krai region of Russia, were exposed to serious discriminations. They were not given residence and work permits and they were deprived of most basic right to life (Aydingün et al., 2006).

In October 2003, the US Department of State also included Meskhetian Turks in the Proposed Refugee Admission Report for the 2004 Fiscal Year and submitted to the Congress, and declared that Meskhetian Turks from the Krasnodar Krai region of Russia would be admitted to the United States. As a result of studies supported and carried out institutionally and individually, more than 10.000 Meskhetian Turks migrated to the USA (US Department of

State). Meskhetian Turks with more than 400.000 population in total live in nine different countries in the world today (Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkey, Ukraine, Uzbekistan and the USA) and their living conditions vary according to the places they live in (Özözen-Kahraman and İbrahimov, 2013). The most populated region of Meskhetian Turks living in various states of the USA is Dayton, Ohio. Contrary to common belief, the business life of Meskhetian Turks, who were exposed to various discriminations and troubles more than once and migrated from their homeland to Uzbekistan, then to Russia, and finally to the United States as of 2004, will be discussed in this study, rather than those who left their own country to become entrepreneurs.

### **3.2 Research design**

Conducting interviews to understand certain skills used by ethnic entrepreneurs for their businesses and to collect the required data is one of the important sources of information (Crouch and McKenzie, 2006). When the literature on ethnic entrepreneurship is examined, it is seen that studies were mostly carried out in developed countries and the qualitative approach is dominantly used in entrepreneurship studies (Indarti, Hapsari, Lukito-Budi and Virgosita, 2021). The qualitative approach enables individual entrepreneurs not only to deal with entrepreneurial activity, but also to examine the entrepreneurial context, including the socio-cultural environment (Dana, 1995: 58). Since no study is found on the field of business management/entrepreneurship in international literature about Meskhetian Turks, the qualitative approach in this study can provide new information for ethnic entrepreneurs to determine a road map in entrepreneurship because Meskhetian Turks present the differences in migration experiences of a society, who had to migrate constantly, beyond normal migration.

### **3.3 Sample Selection**

The universe of this study consists of Meskhetian Turks, who deal with entrepreneurial activities in Dayton, Ohio, the USA. This region is selected as it is the most densely populated region of Meskhetian Turks in the USA. First of all, it was interviewed with Islam Shakhbandarov, who is the Chairman of Ahiska Turkish American Community Center in Dayton, the early information about the study area in detail were obtained from him and permission and help for practice were requested. Through this early interview we got preliminary information to identify the nature of business activities, business categories and enterprises in the field of the study and it was identified that majority of the entrepreneurs activates in logistics sector and some of them are engaged with enterprises that serve the ethnic market such as food, restaurants and clothing. In this context, face-to-face and in-depth interviews were conducted with totally 15 entrepreneurs including 6 in logistics sectors, 1 in healthcare sector, 1 in marble/ceramic sector, 2 clothing shops, 1 restaurant, 1 used car dealer, 1 auto interior designer, 1 in furniture sector and 1 in accounting sector, who want to participate in the study voluntarily. During the interviews entrepreneurs were asked questions about the reason for choosing the current sector, the establishment date of the businesses and the factors that influence various dynamics concerning the entrepreneurial process and the results were evaluated in the context of interactional model developed by Waldinger et al. (1990).

Field study was carried out between February 5, 2019 and May 2, 2019 period. Interviews were audio-recorded voluntarily and with the consent of the entrepreneurs. Qualitative data such as structured, semi-structured questions and observation were used in interviews. Interviews were carried out face-to-face with at entrepreneurs' workplaces upon appointment and therefore, entrepreneurs were observed in their workplaces. The interviews with entrepreneurs lasted between 30 minutes and 3 hours and they were carried out within the working hours. Open-ended questions were asked in interviews to entrepreneurs about their life experiences and successes, their decision making process for self-employment and their sources

of motivation, the sector they entered the market, the details of their business and the structure of the market, the relations with suppliers and how they employed employees and social and political affairs. In addition, the entrepreneurs were also asked some digital information such as how many years their businesses have been active, how much capital was it established its average annual income and number of employees. Both participants' interest and helpful attitude towards the study and their hospitality were pleasing for a comfortable and productive interview atmosphere.

### **3.4 Characteristics of Entrepreneurs and their Businesses**

First of all, the demographic information of the entrepreneurs will be given in the table below according to the sector distribution. Then, the information about the characteristics of entrepreneurs' businesses will be given according to the same sector ranking.

Accordingly, it is seen that the majority of entrepreneurs in Table 1 are male and married. As for educational level, it is seen that the majority of participants have a higher education degree. As for age variable, it is seen that entrepreneurs are in the young and middle age range, and the majority of them establish a business for the first time. The entrepreneurs, who established their second businesses, stated that their first business was on logistics sector and they transferred the business to one of family members and established the second business in different sector. Characteristics of entrepreneurs' businesses are given in Table 2.

It is seen that the businesses of entrepreneurs in the sample activate in both ethnic and non-ethnic markets. It is seen in the interviews with the entrepreneurs that the first customers of the entrepreneurs operating in other fields apart from the logistics sector initially consisted of the people of their own ethnic origin; however, the natives in the region were included in the customer portfolio over time. However, the majority of entrepreneurs' customers in ethnic market consist of their own ethnic origin and the majority of entrepreneurs' customers in non-

ethnic market consist of natives. Most of the entrepreneurs except for the ones in marble/ceramic and auto interior design sectors, engage with the businesses in service sector (see Table 2). Except for one of the companies focusing on study (health services), the others are in the status of micro and small scale enterprises, and according to the information obtained from the interviews, it is seen that they grew over the years. While most of the employees in businesses are family members or relatives, it seen that the employees in businesses of entrepreneurs with more than 10 employees are in other ethnic origin and natives as well as family members.

Since this sample consists of entrepreneur Meskhetian Turks, who settled in Dayton, it should be paid attention not to generalize the following findings with those in the rest of the USA and other countries because opportunity structure and ethnic group characteristics may not be the same in other places.

#### **4 ENTREPRENEUR MESKHETIAN TURKS LIVING IN THE USA: A PRACTICE IN DAYTON**

The data obtained from the interviews with entrepreneur Meskhetian Turks indicate that interactional model ideally explains the ethnic business development. The obtained findings are evaluated in the context of interactional model and are detailed in the remaining part the article.

##### **4.1 Opportunity Structures**

Opportunity structure for ethnic entrepreneur Meskhetian Turks is initially determined according to market conditions. Access to ownership factors, which is another dimension of opportunity structure in interactional model, is not included among the factors that influence the competence of many entrepreneurs to establish a business. Large and demanding US market may positively affect this situation. In addition, it is seen that government policies in the country

had no adverse effect during the ownership process of Meskhetian Turks, on the contrary, they supported and encouraged all entrepreneurs.

#### **4.1.1 Market Conditions**

Participant entrepreneurs in the study participated in both market conditions and continued both their ethnic consumption goods in ethnic market and their entrepreneurial activities in non-ethnic open market. Even most of the entrepreneurs stated that they were engaged in entrepreneurial activities in different fields, especially in logistics, in non-ethnic open market and that they did not see any restrictions or barriers in their enterprises.

##### *Non-ethnic /Open Market*

Majority of entrepreneur Meskhetian Turks operate in non-ethnic/open market and all of these businesses except for one of them (health services) are micro and small scale enterprises. Of the interviewed businesses in the non-ethnic market, 6 operate in logistics, 1 in healthcare, 1 in marble/ceramic, 1 in used car market, 1 in auto interior design and 1 in accounting sectors. While most of the businesses operate in service sector, only two of them (marble/ceramic and auto interior design) are in manufacturing sector. While initial commercial activities of ethnic entrepreneurs mainly aim to serve for the needs of socio-cultural or ethnic class to which they belong, it is seen that market areas expand to a much broader scope of urban demand over time (Masurel, Nijkamp, Tastan and Vindigni, 2001: 3). Some of the entrepreneurs explain this issue as follows: *First, we entered the logistics with my cousin (son of my uncle) together; however, our business grew over time. We have big families and my brother deals with the logistics now and I established another business on ceramic/ marble. Hearing it, people from our nation said, "Make the kitchen of our house, too". We both do it cheaper and we are relatives, not foreigners. Employees are American. We designed the kitchens of our families in the first of establishment, now most of our customers are natives and*

*new builders. Another entrepreneur said: I left the logistics to my brother and I established another business related to healthcare services. I have almost 60 employees here and most of them are natives. In first years of the business we were engaged in healthcare services of elders of the families from our own origin; however, our customer profile is now natives. Another entrepreneur stated: If you decide what to do, if you know how to work and how to use a computer and if your credit score is good, there is no obstacle to being an entrepreneur in the USA.*

While customers or suppliers carry out local activities as they are in the same country with entrepreneurs, they can carry out transnational activities such as export/import enterprises or international consultancy as they are in different countries from the entrepreneurs (Valenzuela and Solano, 2022: 172). Immigrant entrepreneurs may contact with their homelands and other countries by carrying out transnational activities (Ambrosini, 2014) to purchase the goods they will supply to meet the local ethnic needs. In this issue an entrepreneur said: *Clothes in the US were not suitable for our culture and everyone wanted me to buy clothes for them when I came to Turkey. I had my own business in Russia and later I decided to do my own business here. I established my own business on clothing and home textile and I brought the goods from Turkey.* This corresponds to the statement by Masurel et al (2001:3) that ethnic entrepreneurs have great potentials for business organization between two cultures and two countries. However, it can be said that this may not be true for non-ethnic goods in non-ethnic market because transnational activities for entrepreneurs should not increase both the cost liability due to physical distance and the cost according to the comparative advantages theory. Transnational activities may not be preferred by entrepreneurs if the goods to be traded is not in the category of non-substituted, rare or valuable goods. One of the entrepreneurs stated in this issue as follows: *After we succeeded in the business in logistics sector that we partnered with my cousin, we decided to establish a business on marble. In the beginning we worked with*

*some companies from Turkey; however, we had problems in price and quality. We did not have any problems in orders from Europe and Central Asia. Packaging, package quality, barcode etc. were up to American standards; however, shipping costs increased then. For that reason, we supply the material here. I pay a bit more when I buy here, but it is more reasonable because I buy by seeing and touching. In addition, in case of defective product they replace it or bring a new one.*

It may be necessary to have specific training or professional expertise or experience to establish a business in some non-ethnic/open market enterprises. An entrepreneur, who established his own business on auto interior design stated as follows on this issue: *I have been in this business since 1986. I studied tailoring for 3 years in Uzbekistan and I established my first business there. Then, when we were exiled to Russia, I did the same business there; however, I could not establish my own business because we had no identity cards and residential permits. In the USA we firstly came to Idaho; however, I did not have the language proficiency to establish my own business. I worked with a Russian translator as a worker for someone else for 8 years. Here, I worked on tailoring and sewing of ship and vehicle seats. We settled in Dayton in 2012 because majority of our nation were here. I established my own business in Dayton and now I do the business related to my profession.* Another entrepreneur stated as follows: *I worked in a factory for 3 years when I first came to the USA; however, my wage was not enough for living. For that reason, I bought cars from the auction, repaired and sold them. Later on, we decided with my son to establish our own business and we purchased this shop. My son handles government correspondence. I buy old or crashed cars and then repair, modify and sell them. I learnt to repair cars in Uzbekistan. If I employ a master, I could not earn money.* Another entrepreneur said as follows: *I finished the accounting department in university. I used to work for someone else. I decided to establish my own business and I left*

*that job. Almost all of my customers are Turks as we can freely speak with Turks. However, in order not to make mistakes, I exchange information with American experts.*

#### *Ethnic Consumer Goods Market or Ethnic/Closed Market*

One third of the interviewed entrepreneurs are mostly engaged in businesses that appeal to their ethnic origin. 2 of them are in clothing sector, 1 of them is in furniture sector and 1 of them is a restaurant. The entrepreneurs in ethnic/closed market declared that they had customers only from their ethnic origin in the beginning; however, their customer group diversified over time to a certain extent, consisting of Middle Eastern, Central Asian, Arab and native customers. Most of the products in the ethnic market consist of retail ethnic goods exported from Turkey and Russia. These entrepreneurs declared that they do not experience much competition as there are not many entrepreneurs with similar businesses in Dayton. The following quotes from these three entrepreneurs confirm it: *We brought the goods from Turkey. Sofa sets or furniture are sometimes specially requested by our own nation. We have Uzbek, Arab and Central Asian customers apart from Meskhetian Turks.* Another entrepreneur said: *We brought the goods from Turkey. We appeal to all people but we usually have Indian, Arabic and Turkish customers.* Another one said: *My husband was a cook in his military service and I established this business through his supports. It was 3 years ago. My husband and daughter help me here. In the beginning only the contacts from our ethnic origin were our customers. I prepared dishes for their special days. Now we have customers from all nations.*

#### **4.1.2 Access to Ownership**

Only government policies defined in Interactional Model had a positive and significant role here. The situations of business vacancies and competition for vacancies are not relevant for entrepreneur Meskhetian Turks. Considering as government policies, the subsidies by the US for entrepreneurs, fast-track bureaucracy, tax advantage and even the advantages such as no

requirement to be a citizen of this country in order to establish a company within the borders of the USA can be appreciated as positive factors for all people, who would like to be an entrepreneur in the country, not only for Meskhetian Turks. It is seen that government policies also encourage entrepreneurs. The following quotes from four entrepreneurs confirm it: *In the USA there is an institution called as small business administration, which is a government-sponsored institution for small entrepreneurs. You apply to the institution with the business plan, it is examined and you are given loans with low interest rate.* Another one said: *It is easy to establish a company in the USA. You get loans easily here and establish your own business; however, you have to be very careful about the rules here. You have to do everything according to the rules and on time.* Another entrepreneur said: *They guide you to establish a business in the US. When we were new in our business, a Bosnian woman came to help us. She helped those who were new in business. She also helped us about the issues on business.* Another entrepreneur said: *Here is a free country. We are not exposed to discrimination in our business. We can freely establish our business and work. We carry goods to many states in the US and we have no problem.*

#### **4.2. Group Characteristics**

It is seen that wealth, success and values related to personal admission are dominant in group characteristics and they facilitate entrepreneurship. Entrepreneurial processes include the characteristic of an ethnic culture or originate from ethnic values. Many ethnic entrepreneurs establish their own businesses within an ethnic customer network and entrepreneurial activities may have social, political and cultural context (Morris and Schindehutte, 2005).

Group characteristics consist of predisposing factors and resource mobilization. Predisposing factors include blocked mobility, selective migration and aspiration levels and resource mobilization includes close ties with ethnic groups, ethnic social networks and government policies. While the fact that Meskhetian Turks became populated and created a

residential in Dayton and tended to entrepreneurship are the predisposing factors for Meskhetian Turks, it is found that close ties with ethnic group and ethnic social networks are important under the title of resource mobilization.

#### **4.2.1 Predisposing Factors**

Waldinger et al. (1990) pointed out that certain ethnic economies are informed by in-group characteristics such as socio-economic background as well as the host country's opportunity structure. It is seen that in-group social networks play an important role in migration policies, access to the labor market and economic resources, in-group employment of the labor force and other economic activities. Consequently, opportunity structure mutually affects the in-group characteristics (Flubacher, 2020: 119). Accordingly, characteristics of their settlement and aspiration levels will be discussed for Meskhetian Turks as predisposing factors.

##### *Characteristics of Settlement and Entrepreneurial Tendencies*

The location of business is a highly important issue as well as the nature of business activities. When the immigrant groups from the same country or region develop entrepreneurial profiles in certain sectors or niches and utilize from their own ethnic networks for economic solidarity, they are considered as “ethnic economies” (Light and Gold 2007). Ndofo and Priem (2011) indicate that capital equipment and social identity of immigrant entrepreneurs influence their choice of location against the dominant market enterprise strategy. One of the interviewees stated as follows: *When we first came to the USA, we lived in other states but we learnt that they settled to Dayton in years and established their own businesses and supported each other in every respect by living together. So we settled to Dayton, too and we established our own business.* Another entrepreneur stated as follows: *You just need capital to establish, buy or invest in a small business, other than that they do not ask for a diploma or anything else. Just do your job. However, if you want to establish a big business, you need both diploma and bigger*

*capital and a good command of English. Here most of Meskhetian Turks do logistics business because Dayton is right in the center for logistics and it is a long transfer point connecting the east and the west. In the beginning we worked for someone else but taking orders is not for us. We learnt logistics and began to do own our business.*

Ethnic housing density provided a strong consumer core for many ethnic entrepreneurs, especially for immigrant groups in the first decades of their settlement in the host country. Since immigrants clustered in cities in the beginning, long-term dense population occurred and this facilitated employment networks for ethnic suppliers and workers (Aldrich and Waldinger, 1990: 115). In addition, an increase in the number of ethnic people in urban areas indicates a contribution to a multiform and multicultural society, renewal of generations and an increase in income especially in these areas (Levent, Masurel and Nijkamp, 2003). Although settlements are similar to the local ethnic market in terms of spatial concentration and utilizing from their own ethnic networks for economic solidarity, they differ in two respects. First, industrial structure of the settlement is diversified beyond “local economy” industries, which are the characteristics of a local ethnic market. Second, industries of the settlements are also connected with general markets, i.e. non-ethnic markets. For that reason, population sizes and densities are necessary and sufficient for local ethnic markets but not sufficient for ethnic settlements (Aldrich and Waldinger, 1990: 123). Accordingly, the fact that the Meskhetian Turks, populated in Dayton, would only engage in activities in ethnic market would have caused both intense competition and the continuous existence of a limited number of small businesses by not taking advantage of the opportunities in the country. On the contrary, the fact that the Meskhetian Turks have group characteristics, which provide a strong tendency towards business ownership, the abundance of entrepreneurship opportunities in the country, and the advantages of their location, especially for entrepreneurs operating in the field of logistics, played an important role. In addition, business activities of entrepreneur Meskhetian Turks in non-ethnic markets

contributes them to trade with the natives in the country and those with other ethnic origin and thereby to expand and develop their businesses. The following quotes from interviews with entrepreneurs confirm it: *We have a business on logistics and we are one of the first 2-3 companies to do this business in Dayton. Most of Meskhetian Turks in Dayton do this business because Dayton is located in the heart of the Midwest in a very important location for logistics. We easily supply goods from large centers such as Chicago, Cleveland, Cincinnati, Columbus, Indianapolis, and Pittsburg.* Another entrepreneur stated as follows: *I do logistics with my brother. There is such a large market for this business that someone, who does it in Chicago, is not a threat for someone, who wants to do it in Dayton. In addition, we do not see our own nationalities doing this job in Dayton as competitors because the market is huge.* Another entrepreneur said: *Most of Meskhetian Turks in Dayton do this business because no special education or certificate is needed to do this business. Those who are 21 years old and have a license to drive a truck can become a driver. You just have to speak English fluently with suppliers to purchase goods. We have acquaintances, which came here from other states because Dayton is situated in a critical point for this business and most of us are successful here in logistics business.* Common point for the entrepreneurs even in different sectors is their tendency for entrepreneurship. The quotes in this issue are as follows: *Being free motivates me and I feel happier when I do my own business. In fact, you take more responsibility but you do not take orders from anybody else, you act freely and make your own decisions.* Another entrepreneur said: *You earn more when you do your own business. You control your own business. Doing your own business means both being free and taking responsibility. I do not remember that I sleep for 8 hours for 9 years.* Another entrepreneur stated as follows: *In the beginning we worked together with our family members but today most of Meskhetian Turks do their own businesses. This means that it is difficult to find people from our own nation. In addition, our businesses grew and now we employ those from other ethnic origin and natives*

*apart from our family members and relatives.* These findings are defined as attractive factors and they focus on positive aspects of establishing own business by ethnic group members. Attractive factors can be counted as more earnings, having the same language, sense of freedom, demographic factors, confidence in ethnic group and social capital. The efforts to be your own boss can be an output of the efforts that can be defined as “climbing upwards” as Waldinger et al. (1990) stated and can be characterized as a way of socio-economic adaptation and development (İlhan-Nas and Tosun, 2015: 181-182). Tendency of the ethnic group to entrepreneurial characteristics indicate the existence of attractive factors in entrepreneurship in this study.

#### **4.2.2 Resource Mobilization**

Ethnic resources used by entrepreneur Meskhetian Turks mainly consist of close ties with the ethnic community and ethnic social networks. Accordingly, ethnic social networks and close ties with ethnic communities had a supportive effect on establishing a business, getting information about the business, raising of capital and labor supply. The details are explained below.

##### *Close Ties with Ethnic Community*

Heterogeneous ethnic groups with different motivations do not hesitate to try new ways to overcome troubles even if they face with problems to be solved and tend to establish their own businesses thanks to the support from their own ethnic communities (Masurel, Nijkamp, Tastan and Vindigni, 2002). Chaganti and Greene (2002) emphasize that entrepreneurs rather continue to be involved in their own communities, their communities provide them important human resources for their business and it is important to establish close ties with ethnic community to survive.

In terms of entrepreneurship, it is more likely that ethnic immigrants deal with their ethnic communities in host countries than other groups. It is seen that many entrepreneurs state that their close friends and acquaintances are from their own ethnic origin and they generally prefer to work with people from their own ethnic origin in their business activities. These close ethnic friends and family members provided social support to each other on many issues since they were included in the US society. Many entrepreneurs stated that their families and relatives helped them to establish their businesses. Many entrepreneurs also stated that common ethnic friends and acquaintances helped them in the process of business establishment and development. Moreover, they stated that they founded an association that they could come together in Dayton to establish close ties and interact with the ethnic community. Thus, Aldrich and Waldinger (1990: 129) stated that ethnic organizations such as churches and volunteer associations are often supported by ethnic entrepreneurs due to the sense of in-group loyalty as well as commercial reasons. According to the findings obtained from the study, it is found that entrepreneur Meskhetian Turks trust close family members most for the support, then close relatives and then friends. The statements of some entrepreneurs are as follows: *I was working with my uncle and he taught me the business. In the beginning I worked with them but later on I established my own business. If I have a question about the business, I still call and ask them.* Another entrepreneur said: *I learnt how to establish a business while working with my friend. I worked with my friend for 1 year and we established our own business with my cousin. We employed those from our ethnic origin as employees and we also taught them how to establish a business. Now they all have their own workplace, their own business and employ workers. We are really happy to see it.* Another entrepreneur said: *We grew in our businesses because we were together and helped each other. I went to friends of my brother's and asked them how to establish a business. They told me and did not want anything in return. Now my father, brother and I do our business.* Another entrepreneur said: *I help my cousin and one of the*

*friends of my father's to supply goods. We did not sign an official contract because we know each other. Another entrepreneur stated: I have very good friends that I have known for 13 years. They are business administration graduates. They informed me about everything on establishing a business. Now they are engaged with accounting and financing. I learnt the fundamentals of the business from them.*

### *Ethnic Social Networks*

Although the effect of ethnic groups on business probabilities is under the control of the factors related to education, labor force, professional experience and social status, social networks with the same ethnic origin may offer exceptional opportunities for ethnic entrepreneurs (Evans, 1989). The existence of common origin-based social networks can be used as a functional tool for solidarity and reciprocity and overcoming challenges in the local labor market. In addition, such networks provide a support for the experiences of individual or collective discrimination and exclusion and facilitate the access to information, capital and institutions (Flubacher, 2020: 119).

Waldinger, et al. (1990: 35) argues that migration process chooses the immigrants integrated into kinship networks. When Meskhetian Turks first came to the USA, they were shown their accommodation by the government, they were provided with free courses to improve their English, and business opportunities were offered to those who could work. Officials were assigned for these families and they visited these families at certain periods to interview them whether they had a problem or not. However, over time Meskhetian Turks had the opportunity to establish their own businesses and buy their own houses, offices and vehicles thanks to the savings from paid jobs. It is found out that family members and close relatives helped entrepreneurs to obtain safe information and required loans in this process. Some entrepreneurs took loans from official financial institutions when their personal resources or the resource of family members were not enough. In addition, entrepreneurs did not hesitate to

transfer what they know and learn about establishing and developing business. Therefore, a highly strong ethnic social network helped them facilitate especially the process to establish and develop their own businesses. Waldinger et al., (1990: 36) stated that the more connected entrepreneurs are to their relatives or common ethnic networks, the more likely they are to exchange knowledge and get business support. This indicates that ethnic social networks support ethnic business networks and the findings also indicate this information. Many entrepreneurs stated that employees consisted of family members such as mother, father, brothers or sisters and close relatives when they first established their business. The following quotes from four entrepreneurs confirm this information: *We first established a logistics company with my brother and cousin. Later, my uncle and I began to do the construction business. Now we have a marble/ceramic company. Construction and marble/ceramic businesses complement each other. We grew so much because we trusted and helped each other.* Another entrepreneur said: *We are hospitable people and we help each other. Whenever I need help, I have relatives who quit their job to help me. I am lucky for that. To get information we first talk to our relatives, friends and people around us.* Another entrepreneur said: *My father and family supported me much in establishing my own business. I made some of my capital by adding my savings and my family's savings. I also used some loans.* One entrepreneur stated that they could not receive a loan from the bank because they established a new company, but they established their business with the support of their relatives: *When I established my second business, banks did not give loans because it was a new company; however, thanks to the supports of my relatives I established the business. Now it is the third year of the company and banks began to capitalize.*

Families are often the main labor force for small businesses as well as providing capital. For that reason, the immigrants, who arrive in a country with strong families or can quickly establish their families again through subsequent migration, have an advantage against those,

who cannot do it. Likewise, it is natural that ethnic groups with more extended families and high participation rates of family members and with the principles emphasizing collective success have some advantages over others (Aldrich and Waldinger, 1990: 128). The quotes from two entrepreneurs indicate this fact: *We learnt to establish a business from my uncles and we established our own business. I supply goods and my father and brother drive. We are a family company and we work together.* Another entrepreneur said: *My son found his shop. First we bought the shop. Since my brides have foreign languages, they help me. My wife also helps me and we work together.*

Employment process often involves ethnic social networks. However, if have a business that requires professional knowledge and you do not have an ethnic relative, who can do this business in the country you go to, you may have to choose non-ethnic people. An entrepreneur, who has own business on auto interior design, states this situation as follows: *I have been in this business since 1986. I also did this business in Uzbekistan and Russia but I could not establish my official office because we did not have a residence permit. I worked as a worker for 8 years in the USA. First, they settled us to Idaho and then we moved here, Dayton because our nation was here. After I arrived here, I first bought my shop and then opened my office. I have a problem; I cannot find workers. I always go to Job Service and share my problem but I cannot find any worker. Normally, those with 3 years of experience are paid \$16 per an hour, and those with 5 years of experience are paid \$20 per an hour. I pay \$20 an hour to those with 3 years of experience, and \$25 an hour to those with 5 years of experience. However, I cannot find workers. I have 2 workers now and they are American.*

Entrepreneurs say that they run the business every day of the week with the cooperation of all their family members and relatives in the first years of their establishment. All entrepreneurs stated that the competition in the market did not adversely affect them; however, they lived the early years more tolerably with the financial and moral support of their families

and all people from their own ethnic origin in order to succeed in their own businesses. It can be thought that intense competitive atmosphere does not occur due to rich opportunities in the market and small business status of entrepreneurs. However, entrepreneurs' desire to succeed and the peace of freedom to do their own business may have enabled them to come out of the busy and tiring working atmosphere more motivated. Because when the entrepreneurs were asked their weekly working hours in the interviews, many entrepreneurs answered “*we work 60 hours and over weekly. We worked every day in early years of the business and we have no off days but we allow Sundays for ourselves and our family.*” It is seen that not only the entrepreneurs but also all of the family members undertake various duties and responsibilities in such a tiring business environment. One of the entrepreneurs explained this situation as follows: *I was working with my father. Because my brother's English was better, he found us customers, and my mother and my wife took care of the housework and the children.* Here, we can see that entrepreneurs can successfully manage the process with both their own efforts and their families' efforts in order to cope with the workload rather than competition. No difference was found between entrepreneurs in the ethnic market and those in the non-ethnic market in terms of weekly working hours in interviews with entrepreneurs. All of the entrepreneurs in ethnic market consist of family members. While the entrepreneurs in non-ethnic market had labor force consisting of family members and relatives in early years, then they began to employ those from their own ethnic origin to grow their business. However, weekly working hours of the entrepreneurs operating in both markets were 60 hours and over. It can be said that group characteristics are important in this regard, and the labor of all family members is active by sharing tasks both at home and in business.

It is seen that entrepreneurs in local markets strongly rely on personal traits that provide great advantages in developing business practices by specially emphasizing the personal networks (Bilecen et al., 2018), and especially human and social capital stocks influence the

strategies they choose for their enterprises (Ndofor and Priem, 2011: 811). In this sense, the entrepreneurs operating in ethnic market often tended to employ those from their own ethnic origin. Because employing those from own ethnic origin enables entrepreneurs both to communicate better due to the common language and their business ethic and sense of trust will be more familiar because they belong to the same culture. However, the entrepreneurs operating in the non-ethnic market with growth potential because they operate in the open market started to employ natives and those with other ethnic origins as their business grew over time. The quotes from two entrepreneurs confirm it: *We established our second company and there were only family members in the management of the company, our employees were natives.* Another entrepreneur said: *We work a lot to grow our business. All people from our nationality established their own business. We manage the company with my father and brothers but our employees are of Uzbek, Sudanese and African origin.*

In conclusion, group characteristics of Meskhetian Turks correspond to the criteria determined by Waldinger et al. (1990) and it is seen that close ties with ethnic communities and ethnic social networks are important. In addition, Meskhetian Turks founded an association (Ahiska Turkish American Community Center), where they can gather to develop ethnic awareness, identity and solidarity among themselves and to strengthen close ties. Thus, Aldrich and Waldinger (1990: 129) stated that ethnic organizations such as churches and volunteer associations are often supported by ethnic entrepreneurs due to the sense of in-group loyalty as well as commercial reasons. Ultimately, social networks and social capital played an important role for Meskhetian Turks to establish their own businesses and also it can be said that these theories have a significant role especially in the establishment and growth phase of a business enterprise. In addition, social networks reduce the competition because ethnic groups support each other in every respect.

#### **4.3 Ethnic Strategies**

Ethnic strategies are strategies that emerge from the combination of group characteristics of ethnic entrepreneurs and opportunity structure. Ethnic strategies are developed as ethnic entrepreneurs face typical problems in establishing and running a business. These problems are defined as follows (Waldinger, et al., 1990: 46):

1. getting the necessary information for the establishment and survival of the company;
2. raising of necessary capital for the establishment and growth of the company;
3. acquiring the education and skills needed to run a small business;
4. employing and manage productive, honest and cheap employees;
5. managing the relations with customers and suppliers;
6. surviving the tiring business competition;
7. protecting themselves from political attacks.

The findings obtained from the interviews indicate that the last item "to protect themselves from political attacks" is not related to the entrepreneur Meskhetian Turks. Other than that, for the problems that can be experienced in 1) getting information, 2) raising of capital, 3) acquiring education and skills, 4) employment and management and 6) surviving the tiring business competition, the explanations about resource mobilization in previous part indicate the ethnic strategies used by ethnic entrepreneurs. For that reason, ethnic strategies about 5) management of relations with customers will be handled in the following part and then the strategies about non-ethnic networks will be discussed.

### **Managing the Relations with Customers**

Waldinger et al. (1990: 42) state that establishing good relations with customers is an important strategy for ethnic entrepreneurs in case of uncertainty. Some entrepreneurs mention

in the interviews that they offer their customers the opportunity of nonstop communication, they sacrifice the time they can spare for themselves, their family and friends in order to provide the service, and they do not refuse the customer and get the job even if the transportation business demanded by their customers is not in the regions where the entrepreneurs work. They are situations that indicate entrepreneurs are punctual, meticulous and willing to work in the service they provide to customers for customer satisfaction. Our data verify it. The following quotes from five different entrepreneurs confirm it: *Sometimes our supplier calls and says there are goods in X city. Actually we do not work for there but we do not reject and we take the goods. Even we, friends and relatives, help each other.* Another entrepreneur stated as follows: *Previously, when they ordered the goods, they wanted a deposit, but now they know us. They send the goods without a deposit when you order.* Another entrepreneur also stated: *I have had no problems with customers or suppliers so far. In fact, some people brought business from other states and cities because I did a good job. I both do the business on time and cheaply.* Another entrepreneur stated as follows: *Our trucks go from New York to California. There is a company in California and it works only with us. I call and say that our truck is going to California tomorrow and my supplier does not send the truck empty because they trust me and they are pleased with my business. We have been working together with this company for 3 years.* Another entrepreneur stated as follows: *My supplier calls me at 12 a.m. and I answer it. They tell me that an American company is closed at 5 p.m. and nobody is reached. However, I always answer the phone calls day and night or at weekends.*

There is a significant difference between entrepreneurs operating in the logistics sector and those operating in other fields in the study. The reason why the majority of Meskhetian Turks in Dayton are in the logistics sector is that the Russians who immigrated to the USA in the 1990s entered the logistics sector here and were successful in this business. Since Meskhetian Turks, who came to the USA thanks to special immigration law, knew Russian

well, they could often communicate with Russians and started to work with them and learnt the business. Ultimately, Meskhetian Turks entered the logistics sector with the help of their Polish-Russian friends, who are not from their own ethnic origin, but with whom they lived in a common society and culture in the past, informing about the opportunity structure in the market and encouraging them. In addition, the fact that the business does not require technical skills or special training was a convenience for those who want to enter this sector. Accordingly, entrepreneurs learnt the market structure and the business process in logistics sector from non-ethnic social networks; however, many of them established their own businesses in this sector thanks to their strong ethnic social networks. The next part will be discussed in the light of the information obtained from the interviewees about non-ethnic networks and ethnic social networks.

### **Non-ethnic Social Networks**

The exiles that Meskhetian Turks were exposed to caused them to live first in Uzbekistan and then in Russia. During these processes, they learnt Russian in the trainings and in daily life and became friends with people from the origins of the society they lived in. This offered them an advantage in terms of human capital for Meskhetian Turks when they arrived in the USA and helped them communicate with Russians from different ethnic origin. *Language proficiency* as human capital characterizes the proficiency level in the language of host country within the framework of source-based view. Language proficiency becomes an important determinant of immigrant acquisitions and facilitates the accumulation of human capital specific to the host country and becomes a motivating factor (İlhan and Çolak, 2020: 74).

Business experience of immigrant entrepreneurs in their host countries offers them the opportunity to better understand the needs of the labor market and helps them develop more harmonious relations with local actors (Zhou, Wei-Ping and Xuemin, 2007). In this sense, a few of the pioneering Meskhetian Turks learnt that the logistics is the most profitable business

and does not require special training, as a result of the connections they established with their friends who are not of their ethnic origin. These pioneers worked as truck drivers in Russian-owned companies and learnt from their Russian friends how to run the business and opportunities in the market. Eventually, they played an important role in establishing their own businesses by teaching what they had learnt to their relatives and friends of their own ethnic origin. The quotes from the entrepreneurs, who became successful in the logistics sector and helped teach others about the business, are as follows:

*Meskhetian Turks began logistics business in Seattle and Philadelphia because there were a lot of Russian people doing this business there. There were 11-12 families in Dayton in 2007-2008s. Most of them came here later and our population increased. There were also those who came from other places to do this business here. Now we have almost a population of 15,000 in Dayton.*

*We had an incredible explosion in logistics after 2009. Everybody got a truck. Up to that time, people of our origin were working as truck drivers in Armenian or Russian companies. Then, young people helped each other, and we established companies.*

*We learnt this business from our Polish-Russian friend in Chicago. First, my brother started to work with them as a driver and worked for 1 year. Then my brother and I established our own company in Dayton. I ran the business and my brother was a truck driver. When we got stuck about the business, we would call our Russian friend in Chicago and ask how we would do it. All four sons of my uncle worked with us, we were together until last year. Now they all have their own businesses. We also guided many people. They first came and worked in our company and learnt the business and then established their own business. We taught the business at least 7 or 8 people in this way.*

*From the beginning, the Meskhetian people saw this business from the Russians. I began to work as a truck driver in a Russian company in New York. I saved my money while working, therefore I earned my capital. One year later, we got together with my uncle's sons and established our own business. Now everyone has offices but we still exchange information. I taught this business at least 6 people. Most of them were my friends from the same origin and some of them were my relatives.*

*My Russian friends offered me a joint business. However, I wanted to establish my own business. They helped me to establish my own business. They did not compete with me.*

*Both of my uncles were truck drivers in Russia, I was traveling with them at that time. We were truck drivers again as a family after we arrived here. First, we were truck drivers in a Russian company. Then, we established our own business after learning the business from them. We were drivers in our own company. Now we employ truck drivers from the natives and those from our own ethnic origin as our business grows.*

*I was a student when we arrived in the USA in 2005 and my father worked in a factory for 1 year to support the family. One day one of our acquaintances from Russia told us that we can make a lot of money by driving a truck and we do not need to know English to be a truck driver. Since my family members know Russian, they can easily communicate with them. My father started to work as a truck driver for Russians, who came here before. My English was good because I went to school so I negotiated with the suppliers and my father drove the truck.*

These quotes indicate the existence of non-ethnic networks and businesses established through these networks, which emerges as an ethnic strategy in business development for many entrepreneurs.

## **5 CONCLUSIONS**

Ethnic entrepreneurship has been and is still an important form of economic activity for individuals belonging to minority ethnic groups in the USA. When we have a look at scientific studies on ethnic entrepreneurship, we can see that as a result of the bibliometric analysis by Fernandes, Marques, Silva and Martins (2022), the studies on ethnic entrepreneurship have become more important since 2010 and there has been a significant increase until 2019 although 2003 marked the beginning of a new publication cycle in this field of knowledge. Such results indicate the high interest of researchers in exploring a rising theme within the field of ethnic entrepreneurship.

Entrepreneurs participating in the study joined in both market conditions and continued their entrepreneurial activities both in ethnic (closed) market and in non-ethnic (open) market, and no competition was found between the entrepreneurs. This may be due to the wide opportunities and low ambiguity in the US market. The opportunity structure of the economic environment interacts with the group characteristics of entrepreneurs for the ethnic economy to function. The fact that entrepreneurs created residential areas by becoming populated in Dayton and their predisposition to entrepreneurship is a consequence of group characteristics. Entrepreneurs stated that they were supported by their families, spouses, siblings and close relatives for establishing a business, getting information about the business, raising of capital and providing labor force. Such ethnic, kinship, and familial roles favor the existing literature on the culturalist perspective, which emphasizes cultural networks, family dependency, and co-ethnic origins (Waldinger et al., 1990). Another important finding of this study in the success of entrepreneurs is that entrepreneurs did not experience any discrimination, restriction, pressure or blockage in business establishment activities and it is seen that government policies in the country supported and encouraged all entrepreneurs in the process of ownership.

With the Interactive Model applied to the entrepreneurial Meskhetian Turks in ethnic business development, it is seen that several important strategies emerged when they used their

ethnic resources in the business establishment and development process. Some of the anticipated and verified ethnic strategies of the model are:

1. Strong social networks and ethnic close ties in issues such as establishing and surviving a company, providing labor force, raising of capital, getting information and skills required to run the business;
2. Entrepreneurs' willingness to work harder to manage the relations with customers;
3. Having group characteristics predisposed to entrepreneurship. *Not just the entrepreneur, but all family members taking on various roles at home and at in business.*

As anticipated by Waldinger et al., these results led to ethnic business development, mobilization of ethnic resources, and ethnic consciousness and solidarity to be created for entrepreneurs. Considering the importance of market conditions in the model, it is seen that the entrepreneur Meskhetian Turks are active in both markets and use their ethnic resources effectively. Finally, this study reveals the importance of “non-ethnic networks” as an ethnic strategy for entrepreneurs operating in the logistics sector. The finding here is that non-ethnic networks, which the Interactive model does not take into account, are used by Meskhetian Turks as an ethnic strategy in business establishment and development activities in the logistics sector. Therefore, privileged connections of non-ethnic networks can be added to the resource mobilization of ethnic entrepreneurs.

In general, the Interactive Model is multidimensional and dynamic, as indicated by the data presented here on the business establishment processes of the entrepreneur Meskhetian Turks. It is seen in this study that entrepreneurs do not face any restrictions or obstacles, and they mainly mobilize ethnic and non-ethnic networks to be successful in ethnic business development. It is also determined that group characteristics and government policies are other

important points that support the process in the success of entrepreneurs. As a conclusion, ethnic groups adapt to resources obtained from their environment over time.

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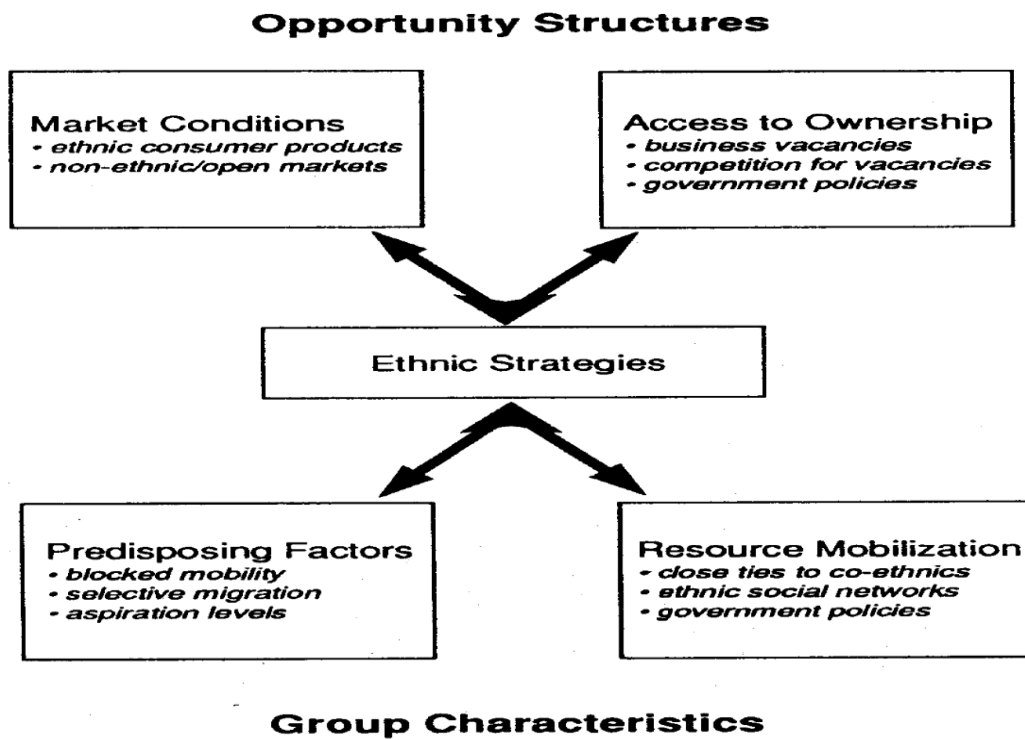
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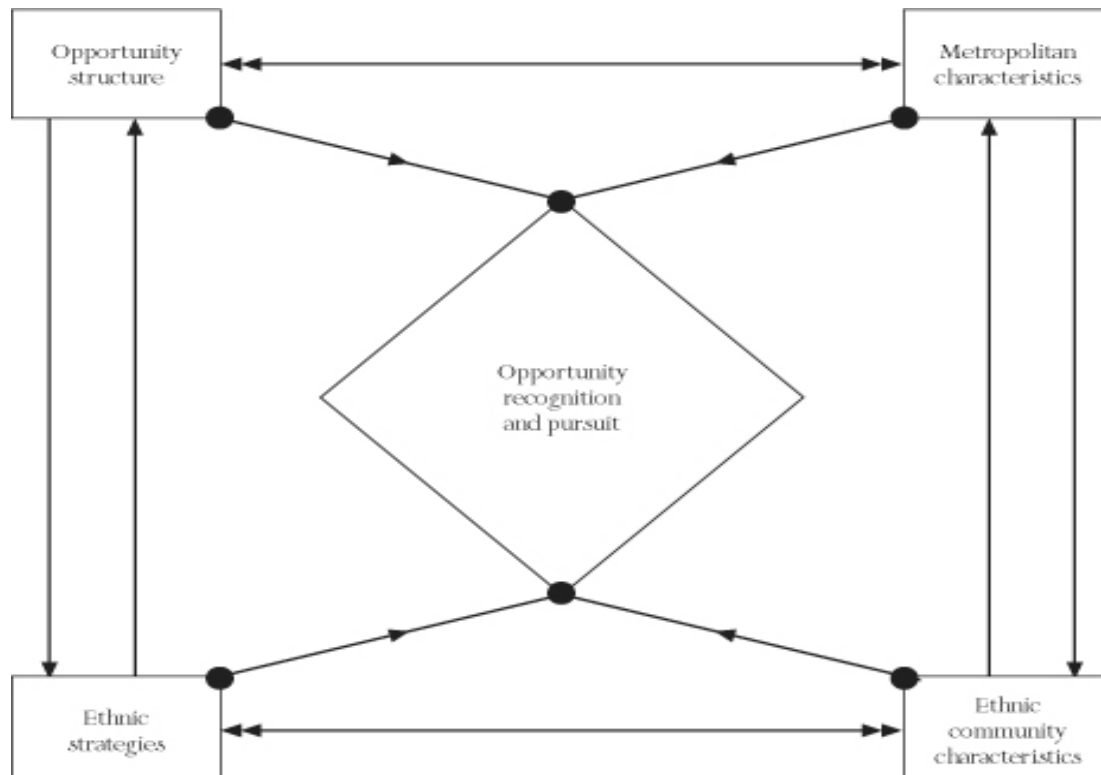
**Figure 1**

*Interactional Model in Ethnic Business Development (Reference: Waldinger, Aldrich and Ward, 1990: 22)*



**Figure 2**

*Interactional Model in Ethnic Business Development (Reference: Fregetto, 2004: 170).*



**Table 1***Demographic Information about Entrepreneurs*

Sector	Gender	Marital Status	Age	Educational Level	How many businesses have you established in the USA?
Clothing	Female	Married	51	High School	One
Clothing	Female	Married	35	Associate (Healthcare)	One
Restaurant	Female	Married	48	High School	One
Furniture	Male	Married	32	High School	Two
Accounting	Female	Married	34	Associate (Accounting)	One
Health	Male	Married	37	Associate (Banking)	Two
Marble/Ceramic	Male	Married	30	Bachelor (Banking and finance)	Two
Used car Trade	Male	Married	56	Associate (Artist)	One
Auto interior design	Male	Married	53	Associate (Tailor)	One
Logistics	Male	Married	33	High School	One
Logistics	Male	Married	37	Bachelor (Computer)	One
Logistics	Male	Married	38	Associate	One
Logistics	Male	Married	49	Bachelor (Physical Education)	Two
Logistics	Male	Single	23	High School	One
Logistics	Male	Single	23	High School	One

**Table 2***Characteristics of Entrepreneurs' Businesses*

Sector	Market Type	Active Year	Capital/Dollar	Average Annual Income /Dollar	Number of Employees	Customer Group
Clothing	Ethnic/closed	4	10.000	70.000	4	Mostly Turkish
Clothing	Ethnic/closed	1	150.000	-	2	Mostly Turkish
Restaurant	Ethnic/closed	3	57.000	128.000	3	Mostly Turkish
Furniture*	Ethnic/closed	2	-	-	5	Mostly Turkish
Accounting	Non-ethnic/Open	5	10.000	100.000	1	Mostly Turkish
Health*	Non-ethnic/Open	5	35.000	600.000	60	Mostly native
Marble/ceramic*	Non-ethnic/Open	2	500.000	1.400.000	10	Mostly native
Used car Trade	Non-ethnic/Open	7	10.000	100.000	2	Mostly native
Auto interior design	Non-ethnic/Open	6	30.000	70.000	3	Mostly native

Logistics	Non-ethnic/Open	7	45.000	150.000	3	Mostly native
Logistics	Non-ethnic/Open	6	60.000	2.500.000	14	Mostly native
Logistics	Non-ethnic/Open	7	30.000	150.000	4	Mostly native
Logistics	Non-ethnic/Open	5	100.000	250.000	2	Mostly native
Logistics	Non-ethnic/Open	7	30.000	220.000	3	Mostly native
Logistics	Non-ethnic/Open	5	60.000	400.000	3	Mostly native

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\* Enterprises with an asterisk next to them are second businesses established by their owners. The first businesses established by these entrepreneurs are on logistics.

# **Ethnic Entrepreneurship: A Qualitative Study on Entrepreneurial Tendency of Meskhetian Turks living in the USA in the Context of the Interactive Model**

## **Abstract**

Interactive model in ethnic business development is one of the models that has the quality to explain the entrepreneurial success of an ethnic group. The purpose of this study is to identify the entrepreneurial tendency of Meskhetian Turks living in Dayton, Ohio, the USA through interactive model asserted by Waldinger et al. (1990). In addition, as a case study, it is focused on business establishment and development processes of entrepreneur Meskhetian Turks, who have not been investigated in the field of business management before. Based on the findings from qualitative interviews, the role of interactive model in the process of ethnic business development is tested and it is seen that ethnic networks structurally and culturally play a significant role in business establishment and survival in business, business knowledge, raising of capital and labor supply. The point obtained in this study and not involved in interactive model is that “non-ethnic networks” emerge as an ethnic strategy for entrepreneur Meskhetian Turks. As a conclusion, adopting interactive model in ethnic entrepreneurship allows us to distinguish the roles of relationships in ethnic business development; however, indicates that non-ethnic networks should not also be ignored in the process of business establishment and development.

**Keywords:** *Ethnic Entrepreneurship, Interactive model, Ethnic Networks, Non-ethnic Networks, Meskhetian Turks.*

## **1 Introduction**

The studies on ethnic enterprise emerged in the United States in the last century as part of an attempt to explain historical differences in business activities among African-Americans,

Hispanics, and Asians and it was seen that a mutual interaction played a significant role especially in the opportunity structure and the characteristics of a group (Waldinger, 1989: 48; Waldinger and Aldrich, 1990:49). In addition, re-experience of mass migration to the USA, increasing importance of small businesses for the USA, significant entrepreneurial success of some new migrant groups, continuous low self-employment rates among native black people made the ethnic trade studies a living field (Waldinger, 1989: 48; Waldinger, Aldrich and Ward, 1990).

The studies concerning migrants and ethnic entrepreneurs were “The Notion of Class and Ethnic Resources” by Ivan Light, “The Concept of Intermediary Minority” by Edna Bonacich, the argument by Alejandro Portes on the establishment of “ethnic settlements” in 1970s and John Modell and Howard Aldrich published similar studies. Roger Waldinger joined these studies in the 1970s in the 1980s, and these researchers collaborated on ethnic entrepreneurship in the 1990s (Waldinger, 1989: 49; Fregetto, 2004: 166). Ethnic entrepreneurship is absolutely not a novel phenomenon for our modern society; however, potential entrepreneurs are the consequence of migration flows, sometimes for economic reasons and sometimes for reasons stimulated by foreign actors such as war, suppression, natural famine disasters (Masurel, Nijkamp and Vindigni, 2004: 78). Ethnic entrepreneurs often immigrated from less developed to more developed countries, particularly to attractive demographic areas in cities (Waldinger, 1989).

It is seen that some theories/perspectives unite the social, cultural and economic factors to explain the ethnic entrepreneurship. These theories are interaction model by Waldinger et al. (1990), blocked mobility perspective by Gold and Kibria (1993), (ethnic) social capital perspective by Sanders and Nee (1996), (integrated) residence in entrepreneurship by Kloosterman and Rath (2001), women entrepreneurship/ gender differences by Baycan/Levent et al. (2003) and ethnic diversity by Smallbone et al. (2010). These theories explain that the

purpose of ethnic groups in establishing a business is to survive in society by increasing their social mobility and obtain better economic conditions (Indarti, Hapsari, Lukito-Budi and Virgosita, 2021: 438).

How ethnic businesses emerged and developed even under adverse circumstances were comprehensively investigated in literature and cultural inclination and structural opportunities were defined as two most significant characteristics of ethnic entrepreneurship. In cultural approach, ethnic migrants are expected to have some culturally determined qualifications such as dedication to business, membership for a strong social network, risk acceptance, adaptation to social value patterns, solidarity and loyalty, which are prerequisites for economic success and entrepreneurial attitudes, when heading towards their own business. However, in structural approach, the external environment of ethnic migrants such as the existence of barriers to entry into the labor market and a socio-political boycott, or the need for maintaining an internal social identity is expected to play a decisive role (Masurel, Nijkamp and Vindigni, 2004: 79). In this sense, cultural approach expresses ethnic group characteristics and structural approach expresses the opportunity structure and therefore both two approaches can be stated as a synthesis of the interaction model asserted by Waldinger et al.

Researchers developed and used various theories and models to explain the concept of ethnic entrepreneurship (see. Fregetto, 2004). Interactional Model is one of the main approaches used to explain the entrepreneurial success of an ethnic group and it was based on the study called as *Structural Opportunity or Ethnic Advantage? Immigrant Business Development in New York* by Waldinger (1989) and later on it was developed with the study called as *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies* by Waldinger, Aldrich and Ward (1990). This approach explains the roadmap that an ethnic group follows in business development. Accordingly, it is said that there is not a single feature responsible for the

entrepreneurial success of ethnic entrepreneurs; however, success pertains to the interaction between the opportunity structure and ethnic group characteristics.

Entrepreneurs are one of the important factors that contribute to the change of a dynamic society with globalization in modern economic life (Ma, Zhao, Wang and Lee, 2013). Entrepreneurship is a phenomenon that encourages the creativity, initiative and freedom of individuals, who can take risks and utilize dynamic and complex opportunities in the context of uncertainty (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014) by bringing together the factors of production to contribute to economic growth and maximize profits (Mickiewicz, Hart, Nyakudya, and Theodorakopoulos, 2019). In a classic saying, entrepreneurship is to combine resources in new ways to create something of value (Aldrich and Waldinger, 1990: 112). Ethnic entrepreneurship is defined as “a set of connections and organized interaction models established among people, who share a common national background and migration experiences” (Waldinger, Aldrich and Ward 1990: 3). In this sense, an ethnic entrepreneur can be defined as the owner of a company that carries out business by encouraging solidarity, trust, flexibility and personal motivation (Chaganti and Greene, 2002) under the same roof with a social group of common origin based on relative cultural similarity.

Ethnic entrepreneurship refers mainly to small and medium-sized business activities carried out by entrepreneurs of a particular socio-cultural or ethnic origin and tends to be an indigenous and important part of the local economy (Masurel, Nijkamp, Tastan and Vindigni, 2001: 2). Ethnic entrepreneurship is a complex and multi-dimensional phenomenon with the impacts on various communities in different regions (Fernandes, Marques, Silva and Martins, 2022: 397). It is seen that some ethnic groups have higher business establishment rates than others especially among the first and second generation migrants (Aldrich and Waldinger, 1990: 113). Considering the discussions on ethnic enterprises, three different approaches can be suggested for the resources of ethnic entrepreneurship success; First is the traits that migrants

bring with them and that predispose them to carry out good business; second is the importance of opportunity structure as a prerequisite for business success; third are ethnic strategies that emphasize the interaction between newcomers' opportunities and ethnic group characteristics (Waldinger, 1989: 49). In this sense, it is important to focus on social, structural and cultural conditions, as higher levels of entrepreneurship cannot only be explained by the personal characteristics of their owners (Aldrich and Waldinger, 1990: 113).

Existing literature is reviewed in the study by addressing the discussions within conceptual and methodological issues related to ethnic entrepreneurship. In this context, the role of interactional model in business development is initially discussed. Accordingly, opportunity structure, characteristics of ethnic groups and ethnic strategies based on the interaction between opportunity structure and group characteristics are discussed. Afterwards, the method of the study is explained and the companies of entrepreneur Meskhetian Turks operating in Dayton, Ohio, the USA are used as case study. Business establishment and development dynamics of entrepreneur Meskhetian Turks in Dayton are discussed in the study within the context of interactional model and improvements are conveyed. The reason why Dayton is selected is that it is the region where Meskhetian Turks live the most in the USA. In addition, it is aimed to contribute to the field in practice by discussing the nature and scope of the entrepreneurial tendencies of Meskhetian Turks in the USA, which has never been investigated in the management dimension, in the context of the interactional model.

In this context, the research question of this study is: What is the role of interactional model in the entrepreneurial process of the businesses belonging to entrepreneur Meskhetian Turks in Dayton? Theoretical framework of this study will be discussed in the following part. Afterwards, method and data references used in this study will be explained in methodology part. After the methodology part, the status of the entrepreneur Meskhetian Turks concerning entrepreneurial process will be analyzed with a case study in the context of the interactional

model and the findings will be presented and finally, the conclusion part of the study will be included.

## **2 Interactional Model in Ethnic Business Development**

Waldinger et al. developed the Interaction Model to explain the complexity of ethnic entrepreneurship with a multidimensional approach rather than analyzing it constrictedly from a single perspective. In this sense, the interactional model offers a holistic understanding as it discuss the relationality between the dimensions that allow to reach a more comprehensive result in ethnic business development.

Interactional model is based on three components (Figure 1) as opportunity structures, group characteristics and strategies (Waldinger, Aldrich and Ward, 1990; Aldrich and Waldinger, 1990) and it provides an explanation of interactive factors that are required for ongoing operations of ethnic businesses. Accordingly, interactional model emphasizes that economic activities are resource mobilization through ethnic networks and interactive consequence of opportunity pursuit. According to Interactional Model, the strategies implemented by ethnic entrepreneurs are inclined by both opportunity structure and group characteristics. Opportunity structure consists of market conditions and entrepreneurs' ability to access business ownership. Group characteristics depend on entrepreneurs' predisposing characteristics and resource mobilization abilities.

Opportunity structures consist of market conditions that support products or services for co-ethnic groups and the conditions that a wider non-ethnic market is offered. Opportunity structures also include the accessibility to business opportunities and the access largely depends on the level of competition among ethnic groups and government policies. Group characteristics include predisposing factors such as blocked mobility, selective migration and aspiration levels. In addition, they include resource mobilization potentials and ethnic social networks, general

organizational capacity and government policies that restrict or facilitate resource procurement. Ethnic strategies burst out of the interaction of opportunities and group characteristics as ethnic groups adapt to their environment (Waldinger, Aldrich and Ward, 1990: 114).

According to Fregetto (2004: 170), Waldinger et al. state that ethnic strategies burst out of the interaction of four factors (Figure 2) and this provides a model in order to explain the ethnic strategies in ethnic business development as ethnic entrepreneurs use available resources to create their own niches. From this standpoint, interactional model provides a relational perspective that includes *opportunity structure*, which includes market conditions and blocked mobility, *ethnic community characteristics* such as ethnic social networks and close ties to ethnic groups, which contribute to ethnic entrepreneurs' success, *ethnic business strategies*, which arise from the interaction between ethnic group and opportunity structure and *settlement characteristics* of ethnic entrepreneurs. In this respect, interactional model offers a framework for ethnic entrepreneurs to see and get opportunities, especially in social, political and cultural terms.

## **2.1 Opportunity Structure**

The dynamism of entrepreneurship market depends on a set of intervening variables that influences and shapes the interaction between entrepreneurs and opportunity structure. Opportunity structure is the dynamic interaction between entrepreneurs and their social, political and economic environments that greatly influences entrepreneurial behavior and business success.

It is seen that opportunity structure consists of market conditions in ethnic markets, non-ethnic markets and open markets with growth potential accessible to newcomers to establish a business (Fregetto, 2004: 171). Entrepreneurs expand their businesses to non-ethnic markets after the success in services for ethnic settlements (Fregetto, 2004: 167). Market conditions

merely support the businesses that serve for the needs of an ethnic community and, in this case, entrepreneurship opportunities are limited or market conditions may support smaller businesses that serve for non-ethnic population and, in this case, opportunities are much greater (Aldrich and Waldinger, 1990: 114; Waldinger et al., 1990: 21). For that reason, the concept of open and closed market refers to the scope of entrepreneurial opportunities. Access to business ownership by potential ethnic entrepreneurs is majorly determined by the number of business vacancies, the scope of competition for vacancies and government policies for immigrant entrepreneurs (Waldinger et al., 1990: 28).

Ethnically diversified relationships represent a productive ground for opportunities and innovations, as well as enlarged and open markets, and also provide opportunities for the flow of knowledge and resources (Hartmann and Philipp, 2022: 157). The greater the cultural differences between the ethnic group and the host country, the greater the need for 'ethnic goods' and a niche market. However, no matter how big a niche market, the opportunities it offers are limited. Access to open markets occupied by local entrepreneurs is often blocked by financial and knowledge-based high entry barriers. However, all industries in Western economies are not characterized by inaccessible accumulation of knowledge (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014: 319).

Growth potential of ethnic entrepreneurs' businesses depends on the access to customers beyond ethnic community. Researchers determined four conditions that small ethnic businesses can grow in open markets: underserved and abandoned markets, markets characterized with small-scale economies, markets with unstable or ambiguous demand and markets for exotic goods (Aldrich and Waldinger, 1990: 116). Immigrants in the USA and some West European countries become populated around the core areas of city centers that are not suitable for the technological and organizational conditions of large businesses but in favor of small businesses and create a productive trading area. This indicates that market conditions support ethnic

businesses because owners of ethnic businesses have a protective market position and external environment supports the entrepreneurs, who are eager to take higher risks than normal ones. In this sense, ethnic entrepreneurs are true entrepreneurs as they take high risks under ambiguous conditions (Aldrich and Waldinger, 1990: 117).

As well as the market conditions, another factor that influences the enterprises of ethnic groups is access to ownership. What influences access to ownership is the level of competition among ethnic groups and government policies (Aldrich and Waldinger, 1990: 117). If the level of competition among ethnic groups is high, ethnic groups either concentrate on the industries limited in number or they are forced into exclusion and completely are out of business. Generally, economic exclusion reinforces the group adaptation, thus it increases the concentration of ethnic networks and therefore the access to group resources (Aldrich and Waldinger, 1990: 118). Planning government policies to support immigrant entrepreneurs in regulations regarding entrepreneurs accelerates the access to business markets. For instance, immigrant countries such as the USA put almost no official barriers for geographical or economic mobility of immigrants and therefore increase the potential business establishment rate for immigrants (Aldrich and Waldinger, 1990: 121).

## **2.2 Group Characteristics**

When immigrant groups from the same countries and regions create entrepreneurial profiles in certain industries and niches and utilize from their own ethnic networks for economic solidarity, they are regarded as “ethnic economies” (Light and Gold 2007). Waldinger et al. (1990) pointed that certain ethnic economies are informed by in-group characteristics such as socio-economic background as well as the opportunity structure of the host country. In addition, it is seen that the existence of in-group social networks plays an important role in migration policies, access to business markets and economic resources, in-group employment of labor

force and other economic activities. In conclusion, opportunity structure greatly influences the internal characteristics of the group correlatively (Flubacher, 2020: 119).

Aldrich and Waldinger (1990: 122) determined that group characteristics is a two dimensional structure, which consists of predisposing factors and resource mobilization. Predisposing factors refer to the skills and targets that individuals and groups bring along to access an opportunity. Resource mobilization means to what extent close ethnic ties and ethnic social networks and government policies help or encourage ethnic entrepreneurship. For instance, lack of language, low educational level and discriminatory behavior can be mentioned as predisposition factors. Communication networks, unofficial information channels, special government policies can be counted as the examples for resource mobilization (Masurel, Nijkamp and Vindigni, 2004: 79).

Ethnic entrepreneurs were comprehensively studied for their job seeking efforts and to potentially provide employment for other members of the same ethnic group (Flubacher, 2020: 119). It is seen that some immigrant entrepreneurs prefer self-employment as the only appropriate alternative to the low-paying jobs available in the secondary labor market (Aldrich and Waldinger, 1990). This is still valid for many immigrants (Ndofo and Priem, 2011). When immigrants and non-immigrants are compared with regard to self-selected migration and aspiration levels, which are entrepreneurial predisposing factors for immigrants, immigrants have greater risk tendency and aim economic mobility rather than social status (Waldinger, et al., 1990: 32-33; Aldrich and Waldinger, 1990: 125-126).

Establishing and running a business is a challenging task, and only a minority of them succeeds in keeping the business running. In this sense, it is an important factor that immigrant groups have a resource mobilization capacity to keep pace with the opportunity structure in the USA in their entrepreneurial success (Waldinger and Aldrich, 1990:49). Resource dimension includes cultural traditions and ethnic social networks. Explanation of cultural traditions is

based on the hypothesis that the self-employment of certain groups is a consequence of their particular cultural preconditions (Volery, 2007). Ethnic social patterns consist of kinship and friendship networks organized around ethnic communities and intertwining of these networks with the positions in economy, locations (housing) and society (organizations). In this respect, information is obtained about the role of ethnic entrepreneurs in raising of capital, employment, relations with suppliers and customers and about promising lines of business, especially through various indirect ties with their ethnic communities (Aldrich and Waldinger, 1990: 127). The structure of these networks varies depending on the group characteristics. While some groups have more organized families and high sense of loyalty and liability, others have disorderly organized families. In addition, some groups have special associations and media that disseminate information. As ethnic groups provide information, the result is often the accumulation or concentration of an ethnic group in a limited number of industries (Aldrich and Waldinger, 1990: 128). Family and ethnic networks as a resource is highly important in entrepreneurial activities. These ties may compensate many disadvantages that ethnic groups experience especially in a foreign environment (Ramadani, Rexhepi, Gerguri-Rashiti, Ibraimi and Dana, 2014: 319).

### **2.3 Ethnic strategies**

Ethnic strategies are a dimension arising from the interaction between opportunity structures and group characteristics and they are dynamic. Ethnic business owners experience some challenges while establishing and running their businesses. They are: to be trained and to get the skills needed to run a small business, to employ and manage productive, honest and cheap employees, to manage the affairs with customers and suppliers, to survive in tough business competition and to protect yourself from political attacks (Aldrich and Waldinger, 1990: 130; Waldinger et al., 1990: 46-47). Ethnic strategy is to develop certain survival patterns in business life. For instance, willingness to work long hours for family members and self-

employment, forming alliances based on solidarity and loyalty with relatives, informal financing of business investments (Masurel, Nijkamp and Vindigni, 2004: 79).

It is seen in many studies that people use their social affairs to support their business establishment attempts (Portes and Zhou, 1992; Zhou, 2004; Vollery, 2007; Martinez and Aldrich, 2011; Chand and Ghorbani, 2011; Jan, 2017; Aldrich and Zimmer, 1986, Ndofor and Priem, 2011). Ethnic networks are based on the employment of the members of ethnic groups in businesses owned by the same ethnic groups, setting up own business with the support of partners from the same ethnic group and providing opportunities for purchasing and/or supplying ethnic goods and more (Waldinger, 1994). In addition, ethnic networks play an important role in location selection process of businesses for their activities, eliciting market information and reinforcing the residence (Bagci, Franz and Yavan, 2022: 202).

Individuals' desire to be successful in life leads them to deal with activities based on their cultural values, information, awareness and personal appreciations and to make choices often through creative processes when markets are ambiguous (Rath and Swagerman, 2016). Training and skills are typically obtained on the job within ethnic groups, often while working in the business of a potential owner from the same ethnic group or family member. Family and working in the same ethnic origin is crucially important for many small ethnic businesses. This type of labor force is mostly cheap and corresponds to working long hours in the service of employers (Aldrich and Waldinger, 1990: 130).

What makes immigrant entrepreneurs different from resident entrepreneurs is the access to labor markets in business activities (Valenzuela and Solano, 2022: 173). The existence of social networks based on common origin can be used as a functional tool for overcoming challenges in the local labor market, solidarity and mutuality. In addition, such networks support individual or collective experiences of discrimination and exclusion and facilitate the access to information, capital and organizations (Flubacher, 2020: 119).

It is not common to transfer the entire family network from the native country. Thus, the missing family ties increase the need to develop out of family ties for social and economic support. Light (1972) defines this situation as “immigrant brotherhood” (Fregetto, 2004: 167) and that is one of purpose of this study. In the following part, the information about the method of study will be given.

### **3 Method**

#### **3.1 A Brief History of Meskhetian Turks Living in the USA**

It is known that many nations in the world were exposed to exile in different periods. While Meskhetian Turks were living in Meshka region, which is in the northeast of Turkey and within the borders of Georgia today, the region came under Russian domination in 1829 and they were exiled to Kazakhstan, Kyrgyzstan and Turkmenistan in 1944 by Stalin, the leader of Soviet Union at that period, and no Turks were left on these lands (Aydingün et al., 2006; Buntürk, 2007; Kolukırık, 2011).

Meskhetian Turks living in Uzbekistan had to leave and migrate to other lands as a result of the events happened in Fergana in 1989. Troubles for Meskhetian Turks, who started to live in different regions of Russia with this second migration, continued there as well. Meskhetian Turks, who started to live in Krasnodar Krai region of Russia, were exposed to serious discriminations. They were not given residence and work permits and they were deprived of most basic right to life (Aydingün et al., 2006).

In October 2003, the US Department of State also included Meskhetian Turks in the Proposed Refugee Admission Report for the 2004 Fiscal Year and submitted to the Congress, and declared that Meskhetian Turks from the Krasnodar Krai region of Russia would be admitted to the United States. As a result of studies supported and carried out institutionally and individually, more than 10.000 Meskhetian Turks migrated to the USA (US Department of

State). Meskhetian Turks with more than 400.000 population in total live in nine different countries in the world today (Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkey, Ukraine, Uzbekistan and the USA) and their living conditions vary according to the places they live in (Özözen-Kahraman and İbrahimov, 2013). The most populated region of Meskhetian Turks living in various states of the USA is Dayton, Ohio. Contrary to common belief, the business life of Meskhetian Turks, who were exposed to various discriminations and troubles more than once and migrated from their homeland to Uzbekistan, then to Russia, and finally to the United States as of 2004, will be discussed in this study, rather than those who left their own country to become entrepreneurs.

### **3.2 Research design**

Conducting interviews to understand certain skills used by ethnic entrepreneurs for their businesses and to collect the required data is one of the important sources of information (Crouch and McKenzie, 2006). When the literature on ethnic entrepreneurship is examined, it is seen that studies were mostly carried out in developed countries and the qualitative approach is dominantly used in entrepreneurship studies (Indarti, Hapsari, Lukito-Budi and Virgosita, 2021). The qualitative approach enables individual entrepreneurs not only to deal with entrepreneurial activity, but also to examine the entrepreneurial context, including the socio-cultural environment (Dana, 1995: 58). Since no study is found on the field of business management/entrepreneurship in international literature about Meskhetian Turks, the qualitative approach in this study can provide new information for ethnic entrepreneurs to determine a road map in entrepreneurship because Meskhetian Turks present the differences in migration experiences of a society, who had to migrate constantly, beyond normal migration.

### **3.3 Sample Selection**

The universe of this study consists of Meskhetian Turks, who deal with entrepreneurial activities in Dayton, Ohio, the USA. This region is selected as it is the most densely populated region of Meskhetian Turks in the USA. First of all, it was interviewed with Islam Shakhbandarov, who is the Chairman of Ahiska Turkish American Community Center in Dayton, the early information about the study area in detail were obtained from him and permission and help for practice were requested. Through this early interview we got preliminary information to identify the nature of business activities, business categories and enterprises in the field of the study and it was identified that majority of the entrepreneurs activates in logistics sector and some of them are engaged with enterprises that serve the ethnic market such as food, restaurants and clothing. In this context, face-to-face and in-depth interviews were conducted with totally 15 entrepreneurs including 6 in logistics sectors, 1 in healthcare sector, 1 in marble/ceramic sector, 2 clothing shops, 1 restaurant, 1 used car dealer, 1 auto interior designer, 1 in furniture sector and 1 in accounting sector, who want to participate in the study voluntarily. During the interviews entrepreneurs were asked questions about the reason for choosing the current sector, the establishment date of the businesses and the factors that influence various dynamics concerning the entrepreneurial process and the results were evaluated in the context of interactional model developed by Waldinger et al. (1990).

Field study was carried out between February 5, 2019 and May 2, 2019 period. Interviews were audio-recorded voluntarily and with the consent of the entrepreneurs. Qualitative data such as structured, semi-structured questions and observation were used in interviews. Interviews were carried out face-to-face with at entrepreneurs' workplaces upon appointment and therefore, entrepreneurs were observed in their workplaces. The interviews with entrepreneurs lasted between 30 minutes and 3 hours and they were carried out within the working hours. Open-ended questions were asked in interviews to entrepreneurs about their life experiences and successes, their decision making process for self-employment and their sources

of motivation, the sector they entered the market, the details of their business and the structure of the market, the relations with suppliers and how they employed employees and social and political affairs. In addition, the entrepreneurs were also asked some digital information such as how many years their businesses have been active, how much capital was it established its average annual income and number of employees. Both participants' interest and helpful attitude towards the study and their hospitality were pleasing for a comfortable and productive interview atmosphere.

### **3.4 Characteristics of Entrepreneurs and their Businesses**

First of all, the demographic information of the entrepreneurs will be given in the table below according to the sector distribution. Then, the information about the characteristics of entrepreneurs' businesses will be given according to the same sector ranking.

Accordingly, it is seen that the majority of entrepreneurs in Table 1 are male and married. As for educational level, it is seen that the majority of participants have a higher education degree. As for age variable, it is seen that entrepreneurs are in the young and middle age range, and the majority of them establish a business for the first time. The entrepreneurs, who established their second businesses, stated that their first business was on logistics sector and they transferred the business to one of family members and established the second business in different sector. Characteristics of entrepreneurs' businesses are given in Table 2.

It is seen that the businesses of entrepreneurs in the sample activate in both ethnic and non-ethnic markets. It is seen in the interviews with the entrepreneurs that the first customers of the entrepreneurs operating in other fields apart from the logistics sector initially consisted of the people of their own ethnic origin; however, the natives in the region were included in the customer portfolio over time. However, the majority of entrepreneurs' customers in ethnic market consist of their own ethnic origin and the majority of entrepreneurs' customers in non-

ethnic market consist of natives. Most of the entrepreneurs except for the ones in marble/ceramic and auto interior design sectors, engage with the businesses in service sector (see Table 2). Except for one of the companies focusing on study (health services), the others are in the status of micro and small scale enterprises, and according to the information obtained from the interviews, it is seen that they grew over the years. While most of the employees in businesses are family members or relatives, it seen that the employees in businesses of entrepreneurs with more than 10 employees are in other ethnic origin and natives as well as family members.

Since this sample consists of entrepreneur Meskhetian Turks, who settled in Dayton, it should be paid attention not to generalize the following findings with those in the rest of the USA and other countries because opportunity structure and ethnic group characteristics may not be the same in other places.

#### **4 ENTREPRENEUR MESKHETIAN TURKS LIVING IN THE USA: A PRACTICE IN DAYTON**

The data obtained from the interviews with entrepreneur Meskhetian Turks indicate that interactional model ideally explains the ethnic business development. The obtained findings are evaluated in the context of interactional model and are detailed in the remaining part the article.

##### **4.1 Opportunity Structures**

Opportunity structure for ethnic entrepreneur Meskhetian Turks is initially determined according to market conditions. Access to ownership factors, which is another dimension of opportunity structure in interactional model, is not included among the factors that influence the competence of many entrepreneurs to establish a business. Large and demanding US market may positively affect this situation. In addition, it is seen that government policies in the country

had no adverse effect during the ownership process of Meskhetian Turks, on the contrary, they supported and encouraged all entrepreneurs.

#### **4.1.1 Market Conditions**

Participant entrepreneurs in the study participated in both market conditions and continued both their ethnic consumption goods in ethnic market and their entrepreneurial activities in non-ethnic open market. Even most of the entrepreneurs stated that they were engaged in entrepreneurial activities in different fields, especially in logistics, in non-ethnic open market and that they did not see any restrictions or barriers in their enterprises.

##### *Non-ethnic /Open Market*

Majority of entrepreneur Meskhetian Turks operate in non-ethnic/open market and all of these businesses except for one of them (health services) are micro and small scale enterprises. Of the interviewed businesses in the non-ethnic market, 6 operate in logistics, 1 in healthcare, 1 in marble/ceramic, 1 in used car market, 1 in auto interior design and 1 in accounting sectors. While most of the businesses operate in service sector, only two of them (marble/ceramic and auto interior design) are in manufacturing sector. While initial commercial activities of ethnic entrepreneurs mainly aim to serve for the needs of socio-cultural or ethnic class to which they belong, it is seen that market areas expand to a much broader scope of urban demand over time (Masurel, Nijkamp, Tastan and Vindigni, 2001: 3). Some of the entrepreneurs explain this issue as follows: *First, we entered the logistics with my cousin (son of my uncle) together; however, our business grew over time. We have big families and my brother deals with the logistics now and I established another business on ceramic/ marble. Hearing it, people from our nation said, "Make the kitchen of our house, too". We both do it cheaper and we are relatives, not foreigners. Employees are American. We designed the kitchens of our families in the first of establishment, now most of our customers are natives and*

*new builders. Another entrepreneur said: I left the logistics to my brother and I established another business related to healthcare services. I have almost 60 employees here and most of them are natives. In first years of the business we were engaged in healthcare services of elders of the families from our own origin; however, our customer profile is now natives. Another entrepreneur stated: If you decide what to do, if you know how to work and how to use a computer and if your credit score is good, there is no obstacle to being an entrepreneur in the USA.*

While customers or suppliers carry out local activities as they are in the same country with entrepreneurs, they can carry out transnational activities such as export/import enterprises or international consultancy as they are in different countries from the entrepreneurs (Valenzuela and Solano, 2022: 172). Immigrant entrepreneurs may contact with their homelands and other countries by carrying out transnational activities (Ambrosini, 2014) to purchase the goods they will supply to meet the local ethnic needs. In this issue an entrepreneur said: *Clothes in the US were not suitable for our culture and everyone wanted me to buy clothes for them when I came to Turkey. I had my own business in Russia and later I decided to do my own business here. I established my own business on clothing and home textile and I brought the goods from Turkey.* This corresponds to the statement by Masurel et al (2001:3) that ethnic entrepreneurs have great potentials for business organization between two cultures and two countries. However, it can be said that this may not be true for non-ethnic goods in non-ethnic market because transnational activities for entrepreneurs should not increase both the cost liability due to physical distance and the cost according to the comparative advantages theory. Transnational activities may not be preferred by entrepreneurs if the goods to be traded is not in the category of non-substituted, rare or valuable goods. One of the entrepreneurs stated in this issue as follows: *After we succeeded in the business in logistics sector that we partnered with my cousin, we decided to establish a business on marble. In the beginning we worked with*

*some companies from Turkey; however, we had problems in price and quality. We did not have any problems in orders from Europe and Central Asia. Packaging, package quality, barcode etc. were up to American standards; however, shipping costs increased then. For that reason, we supply the material here. I pay a bit more when I buy here, but it is more reasonable because I buy by seeing and touching. In addition, in case of defective product they replace it or bring a new one.*

It may be necessary to have specific training or professional expertise or experience to establish a business in some non-ethnic/open market enterprises. An entrepreneur, who established his own business on auto interior design stated as follows on this issue: *I have been in this business since 1986. I studied tailoring for 3 years in Uzbekistan and I established my first business there. Then, when we were exiled to Russia, I did the same business there; however, I could not establish my own business because we had no identity cards and residential permits. In the USA we firstly came to Idaho; however, I did not have the language proficiency to establish my own business. I worked with a Russian translator as a worker for someone else for 8 years. Here, I worked on tailoring and sewing of ship and vehicle seats. We settled in Dayton in 2012 because majority of our nation were here. I established my own business in Dayton and now I do the business related to my profession.* Another entrepreneur stated as follows: *I worked in a factory for 3 years when I first came to the USA; however, my wage was not enough for living. For that reason, I bought cars from the auction, repaired and sold them. Later on, we decided with my son to establish our own business and we purchased this shop. My son handles government correspondence. I buy old or crashed cars and then repair, modify and sell them. I learnt to repair cars in Uzbekistan. If I employ a master, I could not earn money.* Another entrepreneur said as follows: *I finished the accounting department in university. I used to work for someone else. I decided to establish my own business and I left*

*that job. Almost all of my customers are Turks as we can freely speak with Turks. However, in order not to make mistakes, I exchange information with American experts.*

#### *Ethnic Consumer Goods Market or Ethnic/Closed Market*

One third of the interviewed entrepreneurs are mostly engaged in businesses that appeal to their ethnic origin. 2 of them are in clothing sector, 1 of them is in furniture sector and 1 of them is a restaurant. The entrepreneurs in ethnic/closed market declared that they had customers only from their ethnic origin in the beginning; however, their customer group diversified over time to a certain extent, consisting of Middle Eastern, Central Asian, Arab and native customers. Most of the products in the ethnic market consist of retail ethnic goods exported from Turkey and Russia. These entrepreneurs declared that they do not experience much competition as there are not many entrepreneurs with similar businesses in Dayton. The following quotes from these three entrepreneurs confirm it: *We brought the goods from Turkey. Sofa sets or furniture are sometimes specially requested by our own nation. We have Uzbek, Arab and Central Asian customers apart from Meskhetian Turks.* Another entrepreneur said: *We brought the goods from Turkey. We appeal to all people but we usually have Indian, Arabic and Turkish customers.* Another one said: *My husband was a cook in his military service and I established this business through his supports. It was 3 years ago. My husband and daughter help me here. In the beginning only the contacts from our ethnic origin were our customers. I prepared dishes for their special days. Now we have customers from all nations.*

#### **4.1.2 Access to Ownership**

Only government policies defined in Interactional Model had a positive and significant role here. The situations of business vacancies and competition for vacancies are not relevant for entrepreneur Meskhetian Turks. Considering as government policies, the subsidies by the US for entrepreneurs, fast-track bureaucracy, tax advantage and even the advantages such as no

requirement to be a citizen of this country in order to establish a company within the borders of the USA can be appreciated as positive factors for all people, who would like to be an entrepreneur in the country, not only for Meskhetian Turks. It is seen that government policies also encourage entrepreneurs. The following quotes from four entrepreneurs confirm it: *In the USA there is an institution called as small business administration, which is a government-sponsored institution for small entrepreneurs. You apply to the institution with the business plan, it is examined and you are given loans with low interest rate.* Another one said: *It is easy to establish a company in the USA. You get loans easily here and establish your own business; however, you have to be very careful about the rules here. You have to do everything according to the rules and on time.* Another entrepreneur said: *They guide you to establish a business in the US. When we were new in our business, a Bosnian woman came to help us. She helped those who were new in business. She also helped us about the issues on business.* Another entrepreneur said: *Here is a free country. We are not exposed to discrimination in our business. We can freely establish our business and work. We carry goods to many states in the US and we have no problem.*

#### **4.2. Group Characteristics**

It is seen that wealth, success and values related to personal admission are dominant in group characteristics and they facilitate entrepreneurship. Entrepreneurial processes include the characteristic of an ethnic culture or originate from ethnic values. Many ethnic entrepreneurs establish their own businesses within an ethnic customer network and entrepreneurial activities may have social, political and cultural context (Morris and Schindehutte, 2005).

Group characteristics consist of predisposing factors and resource mobilization. Predisposing factors include blocked mobility, selective migration and aspiration levels and resource mobilization includes close ties with ethnic groups, ethnic social networks and government policies. While the fact that Meskhetian Turks became populated and created a

residential in Dayton and tended to entrepreneurship are the predisposing factors for Meskhetian Turks, it is found that close ties with ethnic group and ethnic social networks are important under the title of resource mobilization.

#### **4.2.1 Predisposing Factors**

Waldinger et al. (1990) pointed out that certain ethnic economies are informed by in-group characteristics such as socio-economic background as well as the host country's opportunity structure. It is seen that in-group social networks play an important role in migration policies, access to the labor market and economic resources, in-group employment of the labor force and other economic activities. Consequently, opportunity structure mutually affects the in-group characteristics (Flubacher, 2020: 119). Accordingly, characteristics of their settlement and aspiration levels will be discussed for Meskhetian Turks as predisposing factors.

##### *Characteristics of Settlement and Entrepreneurial Tendencies*

The location of business is a highly important issue as well as the nature of business activities. When the immigrant groups from the same country or region develop entrepreneurial profiles in certain sectors or niches and utilize from their own ethnic networks for economic solidarity, they are considered as “ethnic economies” (Light and Gold 2007). Ndofo and Priem (2011) indicate that capital equipment and social identity of immigrant entrepreneurs influence their choice of location against the dominant market enterprise strategy. One of the interviewees stated as follows: *When we first came to the USA, we lived in other states but we learnt that they settled to Dayton in years and established their own businesses and supported each other in every respect by living together. So we settled to Dayton, too and we established our own business.* Another entrepreneur stated as follows: *You just need capital to establish, buy or invest in a small business, other than that they do not ask for a diploma or anything else. Just do your job. However, if you want to establish a big business, you need both diploma and bigger*

*capital and a good command of English. Here most of Meskhetian Turks do logistics business because Dayton is right in the center for logistics and it is a long transfer point connecting the east and the west. In the beginning we worked for someone else but taking orders is not for us. We learnt logistics and began to do own our business.*

Ethnic housing density provided a strong consumer core for many ethnic entrepreneurs, especially for immigrant groups in the first decades of their settlement in the host country. Since immigrants clustered in cities in the beginning, long-term dense population occurred and this facilitated employment networks for ethnic suppliers and workers (Aldrich and Waldinger, 1990: 115). In addition, an increase in the number of ethnic people in urban areas indicates a contribution to a multiform and multicultural society, renewal of generations and an increase in income especially in these areas (Levent, Masurel and Nijkamp, 2003). Although settlements are similar to the local ethnic market in terms of spatial concentration and utilizing from their own ethnic networks for economic solidarity, they differ in two respects. First, industrial structure of the settlement is diversified beyond “local economy” industries, which are the characteristics of a local ethnic market. Second, industries of the settlements are also connected with general markets, i.e. non-ethnic markets. For that reason, population sizes and densities are necessary and sufficient for local ethnic markets but not sufficient for ethnic settlements (Aldrich and Waldinger, 1990: 123). Accordingly, the fact that the Meskhetian Turks, populated in Dayton, would only engage in activities in ethnic market would have caused both intense competition and the continuous existence of a limited number of small businesses by not taking advantage of the opportunities in the country. On the contrary, the fact that the Meskhetian Turks have group characteristics, which provide a strong tendency towards business ownership, the abundance of entrepreneurship opportunities in the country, and the advantages of their location, especially for entrepreneurs operating in the field of logistics, played an important role. In addition, business activities of entrepreneur Meskhetian Turks in non-ethnic markets

contributes them to trade with the natives in the country and those with other ethnic origin and thereby to expand and develop their businesses. The following quotes from interviews with entrepreneurs confirm it: *We have a business on logistics and we are one of the first 2-3 companies to do this business in Dayton. Most of Meskhetian Turks in Dayton do this business because Dayton is located in the heart of the Midwest in a very important location for logistics. We easily supply goods from large centers such as Chicago, Cleveland, Cincinnati, Columbus, Indianapolis, and Pittsburg.* Another entrepreneur stated as follows: *I do logistics with my brother. There is such a large market for this business that someone, who does it in Chicago, is not a threat for someone, who wants to do it in Dayton. In addition, we do not see our own nationalities doing this job in Dayton as competitors because the market is huge.* Another entrepreneur said: *Most of Meskhetian Turks in Dayton do this business because no special education or certificate is needed to do this business. Those who are 21 years old and have a license to drive a truck can become a driver. You just have to speak English fluently with suppliers to purchase goods. We have acquaintances, which came here from other states because Dayton is situated in a critical point for this business and most of us are successful here in logistics business.* Common point for the entrepreneurs even in different sectors is their tendency for entrepreneurship. The quotes in this issue are as follows: *Being free motivates me and I feel happier when I do my own business. In fact, you take more responsibility but you do not take orders from anybody else, you act freely and make your own decisions.* Another entrepreneur said: *You earn more when you do your own business. You control your own business. Doing your own business means both being free and taking responsibility. I do not remember that I sleep for 8 hours for 9 years.* Another entrepreneur stated as follows: *In the beginning we worked together with our family members but today most of Meskhetian Turks do their own businesses. This means that it is difficult to find people from our own nation. In addition, our businesses grew and now we employ those from other ethnic origin and natives*

*apart from our family members and relatives.* These findings are defined as attractive factors and they focus on positive aspects of establishing own business by ethnic group members. Attractive factors can be counted as more earnings, having the same language, sense of freedom, demographic factors, confidence in ethnic group and social capital. The efforts to be your own boss can be an output of the efforts that can be defined as “climbing upwards” as Waldinger et al. (1990) stated and can be characterized as a way of socio-economic adaptation and development (İlhan-Nas and Tosun, 2015: 181-182). Tendency of the ethnic group to entrepreneurial characteristics indicate the existence of attractive factors in entrepreneurship in this study.

#### **4.2.2 Resource Mobilization**

Ethnic resources used by entrepreneur Meskhetian Turks mainly consist of close ties with the ethnic community and ethnic social networks. Accordingly, ethnic social networks and close ties with ethnic communities had a supportive effect on establishing a business, getting information about the business, raising of capital and labor supply. The details are explained below.

##### *Close Ties with Ethnic Community*

Heterogeneous ethnic groups with different motivations do not hesitate to try new ways to overcome troubles even if they face with problems to be solved and tend to establish their own businesses thanks to the support from their own ethnic communities (Masurel, Nijkamp, Tastan and Vindigni, 2002). Chaganti and Greene (2002) emphasize that entrepreneurs rather continue to be involved in their own communities, their communities provide them important human resources for their business and it is important to establish close ties with ethnic community to survive.

In terms of entrepreneurship, it is more likely that ethnic immigrants deal with their ethnic communities in host countries than other groups. It is seen that many entrepreneurs state that their close friends and acquaintances are from their own ethnic origin and they generally prefer to work with people from their own ethnic origin in their business activities. These close ethnic friends and family members provided social support to each other on many issues since they were included in the US society. Many entrepreneurs stated that their families and relatives helped them to establish their businesses. Many entrepreneurs also stated that common ethnic friends and acquaintances helped them in the process of business establishment and development. Moreover, they stated that they founded an association that they could come together in Dayton to establish close ties and interact with the ethnic community. Thus, Aldrich and Waldinger (1990: 129) stated that ethnic organizations such as churches and volunteer associations are often supported by ethnic entrepreneurs due to the sense of in-group loyalty as well as commercial reasons. According to the findings obtained from the study, it is found that entrepreneur Meskhetian Turks trust close family members most for the support, then close relatives and then friends. The statements of some entrepreneurs are as follows: *I was working with my uncle and he taught me the business. In the beginning I worked with them but later on I established my own business. If I have a question about the business, I still call and ask them.* Another entrepreneur said: *I learnt how to establish a business while working with my friend. I worked with my friend for 1 year and we established our own business with my cousin. We employed those from our ethnic origin as employees and we also taught them how to establish a business. Now they all have their own workplace, their own business and employ workers. We are really happy to see it.* Another entrepreneur said: *We grew in our businesses because we were together and helped each other. I went to friends of my brother's and asked them how to establish a business. They told me and did not want anything in return. Now my father, brother and I do our business.* Another entrepreneur said: *I help my cousin and one of the*

*friends of my father's to supply goods. We did not sign an official contract because we know each other. Another entrepreneur stated: I have very good friends that I have known for 13 years. They are business administration graduates. They informed me about everything on establishing a business. Now they are engaged with accounting and financing. I learnt the fundamentals of the business from them.*

### *Ethnic Social Networks*

Although the effect of ethnic groups on business probabilities is under the control of the factors related to education, labor force, professional experience and social status, social networks with the same ethnic origin may offer exceptional opportunities for ethnic entrepreneurs (Evans, 1989). The existence of common origin-based social networks can be used as a functional tool for solidarity and reciprocity and overcoming challenges in the local labor market. In addition, such networks provide a support for the experiences of individual or collective discrimination and exclusion and facilitate the access to information, capital and institutions (Flubacher, 2020: 119).

Waldinger, et al. (1990: 35) argues that migration process chooses the immigrants integrated into kinship networks. When Meskhetian Turks first came to the USA, they were shown their accommodation by the government, they were provided with free courses to improve their English, and business opportunities were offered to those who could work. Officials were assigned for these families and they visited these families at certain periods to interview them whether they had a problem or not. However, over time Meskhetian Turks had the opportunity to establish their own businesses and buy their own houses, offices and vehicles thanks to the savings from paid jobs. It is found out that family members and close relatives helped entrepreneurs to obtain safe information and required loans in this process. Some entrepreneurs took loans from official financial institutions when their personal resources or the resource of family members were not enough. In addition, entrepreneurs did not hesitate to

transfer what they know and learn about establishing and developing business. Therefore, a highly strong ethnic social network helped them facilitate especially the process to establish and develop their own businesses. Waldinger et al., (1990: 36) stated that the more connected entrepreneurs are to their relatives or common ethnic networks, the more likely they are to exchange knowledge and get business support. This indicates that ethnic social networks support ethnic business networks and the findings also indicate this information. Many entrepreneurs stated that employees consisted of family members such as mother, father, brothers or sisters and close relatives when they first established their business. The following quotes from four entrepreneurs confirm this information: *We first established a logistics company with my brother and cousin. Later, my uncle and I began to do the construction business. Now we have a marble/ceramic company. Construction and marble/ceramic businesses complement each other. We grew so much because we trusted and helped each other.* Another entrepreneur said: *We are hospitable people and we help each other. Whenever I need help, I have relatives who quit their job to help me. I am lucky for that. To get information we first talk to our relatives, friends and people around us.* Another entrepreneur said: *My father and family supported me much in establishing my own business. I made some of my capital by adding my savings and my family's savings. I also used some loans.* One entrepreneur stated that they could not receive a loan from the bank because they established a new company, but they established their business with the support of their relatives: *When I established my second business, banks did not give loans because it was a new company; however, thanks to the supports of my relatives I established the business. Now it is the third year of the company and banks began to capitalize.*

Families are often the main labor force for small businesses as well as providing capital. For that reason, the immigrants, who arrive in a country with strong families or can quickly establish their families again through subsequent migration, have an advantage against those,

who cannot do it. Likewise, it is natural that ethnic groups with more extended families and high participation rates of family members and with the principles emphasizing collective success have some advantages over others (Aldrich and Waldinger, 1990: 128). The quotes from two entrepreneurs indicate this fact: *We learnt to establish a business from my uncles and we established our own business. I supply goods and my father and brother drive. We are a family company and we work together.* Another entrepreneur said: *My son found his shop. First we bought the shop. Since my brides have foreign languages, they help me. My wife also helps me and we work together.*

Employment process often involves ethnic social networks. However, if have a business that requires professional knowledge and you do not have an ethnic relative, who can do this business in the country you go to, you may have to choose non-ethnic people. An entrepreneur, who has own business on auto interior design, states this situation as follows: *I have been in this business since 1986. I also did this business in Uzbekistan and Russia but I could not establish my official office because we did not have a residence permit. I worked as a worker for 8 years in the USA. First, they settled us to Idaho and then we moved here, Dayton because our nation was here. After I arrived here, I first bought my shop and then opened my office. I have a problem; I cannot find workers. I always go to Job Service and share my problem but I cannot find any worker. Normally, those with 3 years of experience are paid \$16 per an hour, and those with 5 years of experience are paid \$20 per an hour. I pay \$20 an hour to those with 3 years of experience, and \$25 an hour to those with 5 years of experience. However, I cannot find workers. I have 2 workers now and they are American.*

Entrepreneurs say that they run the business every day of the week with the cooperation of all their family members and relatives in the first years of their establishment. All entrepreneurs stated that the competition in the market did not adversely affect them; however, they lived the early years more tolerably with the financial and moral support of their families

and all people from their own ethnic origin in order to succeed in their own businesses. It can be thought that intense competitive atmosphere does not occur due to rich opportunities in the market and small business status of entrepreneurs. However, entrepreneurs' desire to succeed and the peace of freedom to do their own business may have enabled them to come out of the busy and tiring working atmosphere more motivated. Because when the entrepreneurs were asked their weekly working hours in the interviews, many entrepreneurs answered “*we work 60 hours and over weekly. We worked every day in early years of the business and we have no off days but we allow Sundays for ourselves and our family.*” It is seen that not only the entrepreneurs but also all of the family members undertake various duties and responsibilities in such a tiring business environment. One of the entrepreneurs explained this situation as follows: *I was working with my father. Because my brother's English was better, he found us customers, and my mother and my wife took care of the housework and the children.* Here, we can see that entrepreneurs can successfully manage the process with both their own efforts and their families' efforts in order to cope with the workload rather than competition. No difference was found between entrepreneurs in the ethnic market and those in the non-ethnic market in terms of weekly working hours in interviews with entrepreneurs. All of the entrepreneurs in ethnic market consist of family members. While the entrepreneurs in non-ethnic market had labor force consisting of family members and relatives in early years, then they began to employ those from their own ethnic origin to grow their business. However, weekly working hours of the entrepreneurs operating in both markets were 60 hours and over. It can be said that group characteristics are important in this regard, and the labor of all family members is active by sharing tasks both at home and in business.

It is seen that entrepreneurs in local markets strongly rely on personal traits that provide great advantages in developing business practices by specially emphasizing the personal networks (Bilecen et al., 2018), and especially human and social capital stocks influence the

strategies they choose for their enterprises (Ndofor and Priem, 2011: 811). In this sense, the entrepreneurs operating in ethnic market often tended to employ those from their own ethnic origin. Because employing those from own ethnic origin enables entrepreneurs both to communicate better due to the common language and their business ethic and sense of trust will be more familiar because they belong to the same culture. However, the entrepreneurs operating in the non-ethnic market with growth potential because they operate in the open market started to employ natives and those with other ethnic origins as their business grew over time. The quotes from two entrepreneurs confirm it: *We established our second company and there were only family members in the management of the company, our employees were natives.* Another entrepreneur said: *We work a lot to grow our business. All people from our nationality established their own business. We manage the company with my father and brothers but our employees are of Uzbek, Sudanese and African origin.*

In conclusion, group characteristics of Meskhetian Turks correspond to the criteria determined by Waldinger et al. (1990) and it is seen that close ties with ethnic communities and ethnic social networks are important. In addition, Meskhetian Turks founded an association (Ahiska Turkish American Community Center), where they can gather to develop ethnic awareness, identity and solidarity among themselves and to strengthen close ties. Thus, Aldrich and Waldinger (1990: 129) stated that ethnic organizations such as churches and volunteer associations are often supported by ethnic entrepreneurs due to the sense of in-group loyalty as well as commercial reasons. Ultimately, social networks and social capital played an important role for Meskhetian Turks to establish their own businesses and also it can be said that these theories have a significant role especially in the establishment and growth phase of a business enterprise. In addition, social networks reduce the competition because ethnic groups support each other in every respect.

#### **4.3 Ethnic Strategies**

Ethnic strategies are strategies that emerge from the combination of group characteristics of ethnic entrepreneurs and opportunity structure. Ethnic strategies are developed as ethnic entrepreneurs face typical problems in establishing and running a business. These problems are defined as follows (Waldinger, et al., 1990: 46):

1. getting the necessary information for the establishment and survival of the company;
2. raising of necessary capital for the establishment and growth of the company;
3. acquiring the education and skills needed to run a small business;
4. employing and manage productive, honest and cheap employees;
5. managing the relations with customers and suppliers;
6. surviving the tiring business competition;
7. protecting themselves from political attacks.

The findings obtained from the interviews indicate that the last item "to protect themselves from political attacks" is not related to the entrepreneur Meskhetian Turks. Other than that, for the problems that can be experienced in 1) getting information, 2) raising of capital, 3) acquiring education and skills, 4) employment and management and 6) surviving the tiring business competition, the explanations about resource mobilization in previous part indicate the ethnic strategies used by ethnic entrepreneurs. For that reason, ethnic strategies about 5) management of relations with customers will be handled in the following part and then the strategies about non-ethnic networks will be discussed.

### **Managing the Relations with Customers**

Waldinger et al. (1990: 42) state that establishing good relations with customers is an important strategy for ethnic entrepreneurs in case of uncertainty. Some entrepreneurs mention

in the interviews that they offer their customers the opportunity of nonstop communication, they sacrifice the time they can spare for themselves, their family and friends in order to provide the service, and they do not refuse the customer and get the job even if the transportation business demanded by their customers is not in the regions where the entrepreneurs work. They are situations that indicate entrepreneurs are punctual, meticulous and willing to work in the service they provide to customers for customer satisfaction. Our data verify it. The following quotes from five different entrepreneurs confirm it: *Sometimes our supplier calls and says there are goods in X city. Actually we do not work for there but we do not reject and we take the goods. Even we, friends and relatives, help each other.* Another entrepreneur stated as follows: *Previously, when they ordered the goods, they wanted a deposit, but now they know us. They send the goods without a deposit when you order.* Another entrepreneur also stated: *I have had no problems with customers or suppliers so far. In fact, some people brought business from other states and cities because I did a good job. I both do the business on time and cheaply.* Another entrepreneur stated as follows: *Our trucks go from New York to California. There is a company in California and it works only with us. I call and say that our truck is going to California tomorrow and my supplier does not send the truck empty because they trust me and they are pleased with my business. We have been working together with this company for 3 years.* Another entrepreneur stated as follows: *My supplier calls me at 12 a.m. and I answer it. They tell me that an American company is closed at 5 p.m. and nobody is reached. However, I always answer the phone calls day and night or at weekends.*

There is a significant difference between entrepreneurs operating in the logistics sector and those operating in other fields in the study. The reason why the majority of Meskhetian Turks in Dayton are in the logistics sector is that the Russians who immigrated to the USA in the 1990s entered the logistics sector here and were successful in this business. Since Meskhetian Turks, who came to the USA thanks to special immigration law, knew Russian

well, they could often communicate with Russians and started to work with them and learnt the business. Ultimately, Meskhetian Turks entered the logistics sector with the help of their Polish-Russian friends, who are not from their own ethnic origin, but with whom they lived in a common society and culture in the past, informing about the opportunity structure in the market and encouraging them. In addition, the fact that the business does not require technical skills or special training was a convenience for those who want to enter this sector. Accordingly, entrepreneurs learnt the market structure and the business process in logistics sector from non-ethnic social networks; however, many of them established their own businesses in this sector thanks to their strong ethnic social networks. The next part will be discussed in the light of the information obtained from the interviewees about non-ethnic networks and ethnic social networks.

### **Non-ethnic Social Networks**

The exiles that Meskhetian Turks were exposed to caused them to live first in Uzbekistan and then in Russia. During these processes, they learnt Russian in the trainings and in daily life and became friends with people from the origins of the society they lived in. This offered them an advantage in terms of human capital for Meskhetian Turks when they arrived in the USA and helped them communicate with Russians from different ethnic origin. *Language proficiency* as human capital characterizes the proficiency level in the language of host country within the framework of source-based view. Language proficiency becomes an important determinant of immigrant acquisitions and facilitates the accumulation of human capital specific to the host country and becomes a motivating factor (İlhan and Çolak, 2020: 74).

Business experience of immigrant entrepreneurs in their host countries offers them the opportunity to better understand the needs of the labor market and helps them develop more harmonious relations with local actors (Zhou, Wei-Ping and Xuemin, 2007). In this sense, a few of the pioneering Meskhetian Turks learnt that the logistics is the most profitable business

and does not require special training, as a result of the connections they established with their friends who are not of their ethnic origin. These pioneers worked as truck drivers in Russian-owned companies and learnt from their Russian friends how to run the business and opportunities in the market. Eventually, they played an important role in establishing their own businesses by teaching what they had learnt to their relatives and friends of their own ethnic origin. The quotes from the entrepreneurs, who became successful in the logistics sector and helped teach others about the business, are as follows:

*Meskhetian Turks began logistics business in Seattle and Philadelphia because there were a lot of Russian people doing this business there. There were 11-12 families in Dayton in 2007-2008s. Most of them came here later and our population increased. There were also those who came from other places to do this business here. Now we have almost a population of 15,000 in Dayton.*

*We had an incredible explosion in logistics after 2009. Everybody got a truck. Up to that time, people of our origin were working as truck drivers in Armenian or Russian companies. Then, young people helped each other, and we established companies.*

*We learnt this business from our Polish-Russian friend in Chicago. First, my brother started to work with them as a driver and worked for 1 year. Then my brother and I established our own company in Dayton. I ran the business and my brother was a truck driver. When we got stuck about the business, we would call our Russian friend in Chicago and ask how we would do it. All four sons of my uncle worked with us, we were together until last year. Now they all have their own businesses. We also guided many people. They first came and worked in our company and learnt the business and then established their own business. We taught the business at least 7 or 8 people in this way.*

*From the beginning, the Meskhetian people saw this business from the Russians. I began to work as a truck driver in a Russian company in New York. I saved my money while working, therefore I earned my capital. One year later, we got together with my uncle's sons and established our own business. Now everyone has offices but we still exchange information. I taught this business at least 6 people. Most of them were my friends from the same origin and some of them were my relatives.*

*My Russian friends offered me a joint business. However, I wanted to establish my own business. They helped me to establish my own business. They did not compete with me.*

*Both of my uncles were truck drivers in Russia, I was traveling with them at that time. We were truck drivers again as a family after we arrived here. First, we were truck drivers in a Russian company. Then, we established our own business after learning the business from them. We were drivers in our own company. Now we employ truck drivers from the natives and those from our own ethnic origin as our business grows.*

*I was a student when we arrived in the USA in 2005 and my father worked in a factory for 1 year to support the family. One day one of our acquaintances from Russia told us that we can make a lot of money by driving a truck and we do not need to know English to be a truck driver. Since my family members know Russian, they can easily communicate with them. My father started to work as a truck driver for Russians, who came here before. My English was good because I went to school so I negotiated with the suppliers and my father drove the truck.*

These quotes indicate the existence of non-ethnic networks and businesses established through these networks, which emerges as an ethnic strategy in business development for many entrepreneurs.

## **5 CONCLUSIONS**

Ethnic entrepreneurship has been and is still an important form of economic activity for individuals belonging to minority ethnic groups in the USA. When we have a look at scientific studies on ethnic entrepreneurship, we can see that as a result of the bibliometric analysis by Fernandes, Marques, Silva and Martins (2022), the studies on ethnic entrepreneurship have become more important since 2010 and there has been a significant increase until 2019 although 2003 marked the beginning of a new publication cycle in this field of knowledge. Such results indicate the high interest of researchers in exploring a rising theme within the field of ethnic entrepreneurship.

Entrepreneurs participating in the study joined in both market conditions and continued their entrepreneurial activities both in ethnic (closed) market and in non-ethnic (open) market, and no competition was found between the entrepreneurs. This may be due to the wide opportunities and low ambiguity in the US market. The opportunity structure of the economic environment interacts with the group characteristics of entrepreneurs for the ethnic economy to function. The fact that entrepreneurs created residential areas by becoming populated in Dayton and their predisposition to entrepreneurship is a consequence of group characteristics. Entrepreneurs stated that they were supported by their families, spouses, siblings and close relatives for establishing a business, getting information about the business, raising of capital and providing labor force. Such ethnic, kinship, and familial roles favor the existing literature on the culturalist perspective, which emphasizes cultural networks, family dependency, and co-ethnic origins (Waldinger et al., 1990). Another important finding of this study in the success of entrepreneurs is that entrepreneurs did not experience any discrimination, restriction, pressure or blockage in business establishment activities and it is seen that government policies in the country supported and encouraged all entrepreneurs in the process of ownership.

With the Interactive Model applied to the entrepreneurial Meskhetian Turks in ethnic business development, it is seen that several important strategies emerged when they used their

ethnic resources in the business establishment and development process. Some of the anticipated and verified ethnic strategies of the model are:

1. Strong social networks and ethnic close ties in issues such as establishing and surviving a company, providing labor force, raising of capital, getting information and skills required to run the business;
2. Entrepreneurs' willingness to work harder to manage the relations with customers;
3. Having group characteristics predisposed to entrepreneurship. *Not just the entrepreneur, but all family members taking on various roles at home and at in business.*

As anticipated by Waldinger et al., these results led to ethnic business development, mobilization of ethnic resources, and ethnic consciousness and solidarity to be created for entrepreneurs. Considering the importance of market conditions in the model, it is seen that the entrepreneur Meskhetian Turks are active in both markets and use their ethnic resources effectively. Finally, this study reveals the importance of “non-ethnic networks” as an ethnic strategy for entrepreneurs operating in the logistics sector. The finding here is that non-ethnic networks, which the Interactive model does not take into account, are used by Meskhetian Turks as an ethnic strategy in business establishment and development activities in the logistics sector. Therefore, privileged connections of non-ethnic networks can be added to the resource mobilization of ethnic entrepreneurs.

In general, the Interactive Model is multidimensional and dynamic, as indicated by the data presented here on the business establishment processes of the entrepreneur Meskhetian Turks. It is seen in this study that entrepreneurs do not face any restrictions or obstacles, and they mainly mobilize ethnic and non-ethnic networks to be successful in ethnic business development. It is also determined that group characteristics and government policies are other

important points that support the process in the success of entrepreneurs. As a conclusion, ethnic groups adapt to resources obtained from their environment over time.

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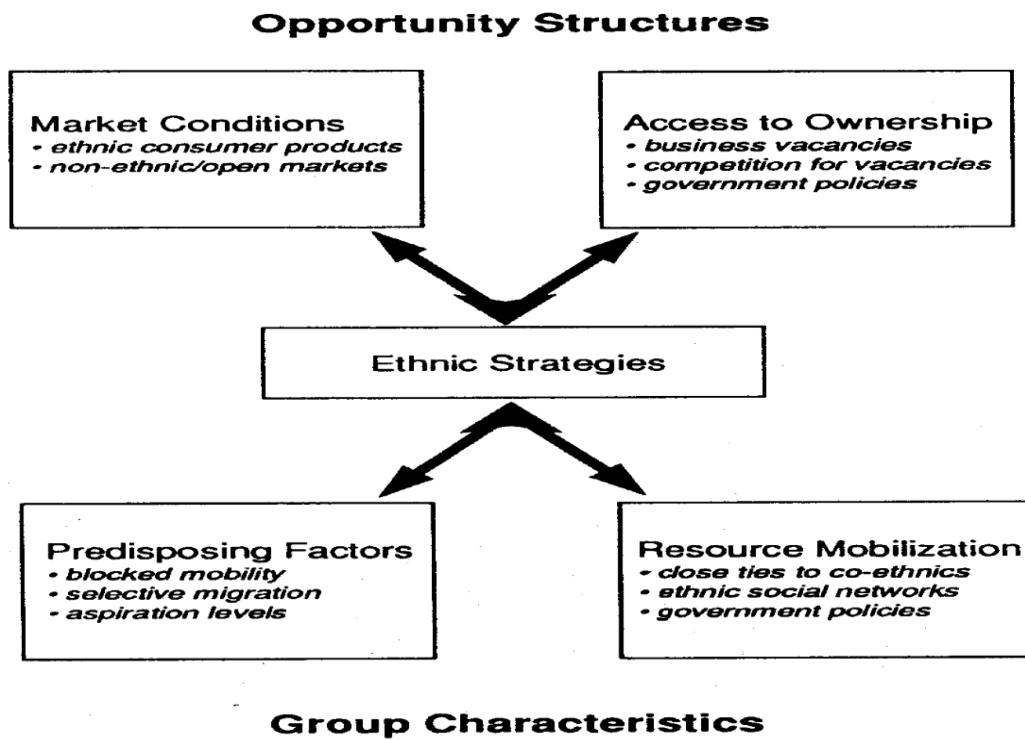
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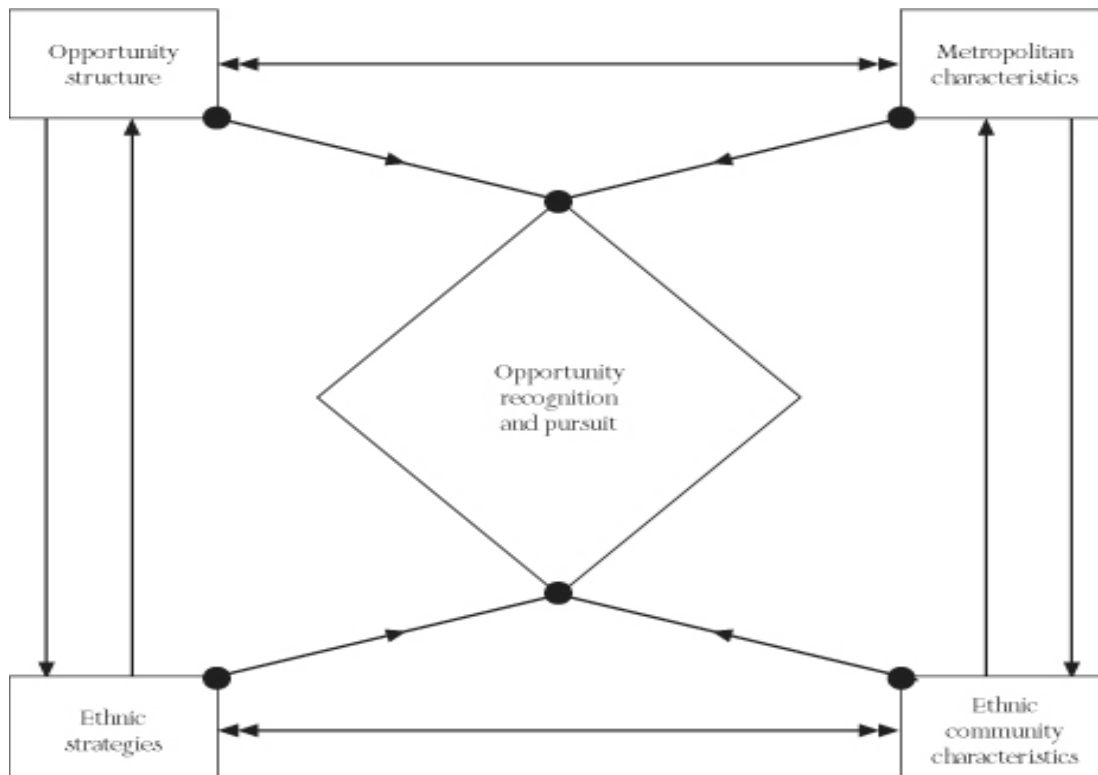
**Figure 1**

*Interactional Model in Ethnic Business Development (Reference: Waldinger, Aldrich and Ward, 1990: 22)*



**Figure 2**

*Interactional Model in Ethnic Business Development (Reference: Fregetto, 2004: 170).*



**Table 1***Demographic Information about Entrepreneurs*

Sector	Gender	Marital Status	Age	Educational Level	How many businesses have you established in the USA?
Clothing	Female	Married	51	High School	One
Clothing	Female	Married	35	Associate (Healthcare)	One
Restaurant	Female	Married	48	High School	One
Furniture	Male	Married	32	High School	Two
Accounting	Female	Married	34	Associate (Accounting)	One
Health	Male	Married	37	Associate (Banking)	Two
Marble/Ceramic	Male	Married	30	Bachelor (Banking and finance)	Two
Used car Trade	Male	Married	56	Associate (Artist)	One
Auto interior design	Male	Married	53	Associate (Tailor)	One
Logistics	Male	Married	33	High School	One
Logistics	Male	Married	37	Bachelor (Computer)	One
Logistics	Male	Married	38	Associate	One
Logistics	Male	Married	49	Bachelor (Physical Education)	Two
Logistics	Male	Single	23	High School	One
Logistics	Male	Single	23	High School	One

**Table 2***Characteristics of Entrepreneurs' Businesses*

Sector	Market Type	Active Year	Capital/ Dollar	Average Annual Income /Dollar	Number of Employees	Customer Group
Clothing	Ethnic/closed	4	10.000	70.000	4	Mostly Turkish
Clothing	Ethnic/closed	1	150.000	-	2	Mostly Turkish
Restaurant	Ethnic/closed	3	57.000	128.000	3	Mostly Turkish
Furniture*	Ethnic/closed	2	-	-	5	Mostly Turkish
Accounting	Non-ethnic/Open	5	10.000	100.000	1	Mostly Turkish
Health*	Non-ethnic/Open	5	35.000	600.000	60	Mostly native
Marble/ceramic*	Non-ethnic/Open	2	500.000	1.400.000	10	Mostly native
Used car Trade	Non-ethnic/Open	7	10.000	100.000	2	Mostly native
Auto interior design	Non-ethnic/Open	6	30.000	70.000	3	Mostly native

Logistics	Non-ethnic/Open	7	45.000	150.000	3	Mostly native
Logistics	Non-ethnic/Open	6	60.000	2.500.000	14	Mostly native
Logistics	Non-ethnic/Open	7	30.000	150.000	4	Mostly native
Logistics	Non-ethnic/Open	5	100.000	250.000	2	Mostly native
Logistics	Non-ethnic/Open	7	30.000	220.000	3	Mostly native
Logistics	Non-ethnic/Open	5	60.000	400.000	3	Mostly native

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\* Enterprises with an asterisk next to them are second businesses established by their owners. The first businesses established by these entrepreneurs are on logistics.

Figure 1

*Interactional Model in Ethnic Business Development (Reference: Waldinger, Aldrich and Ward, 1990: 22)*

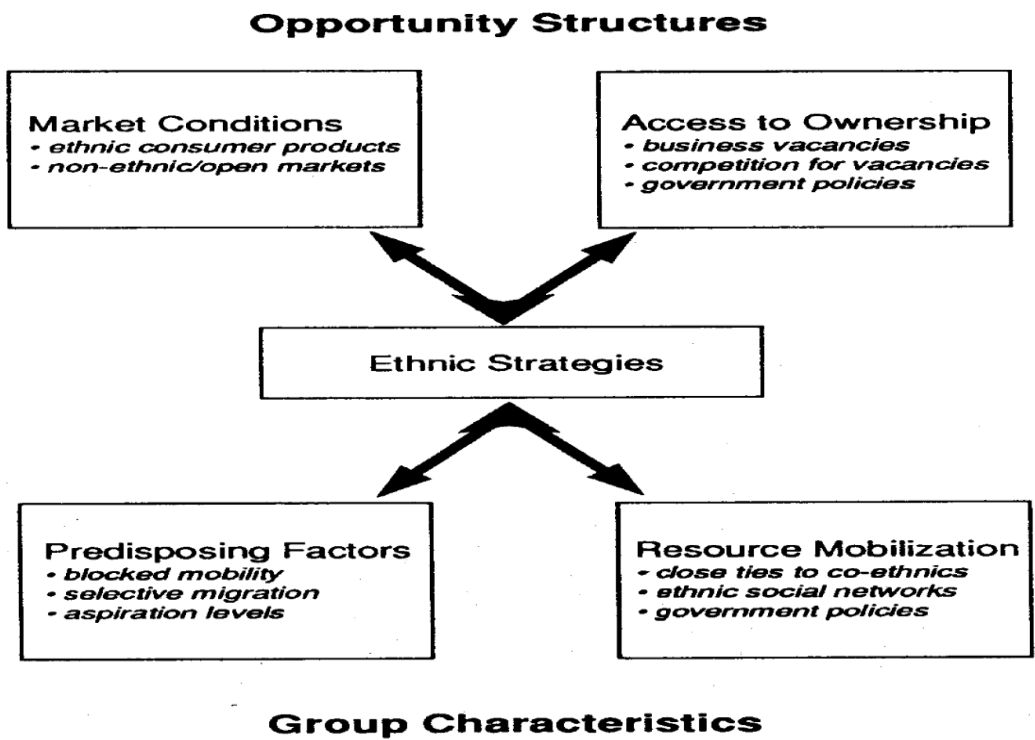
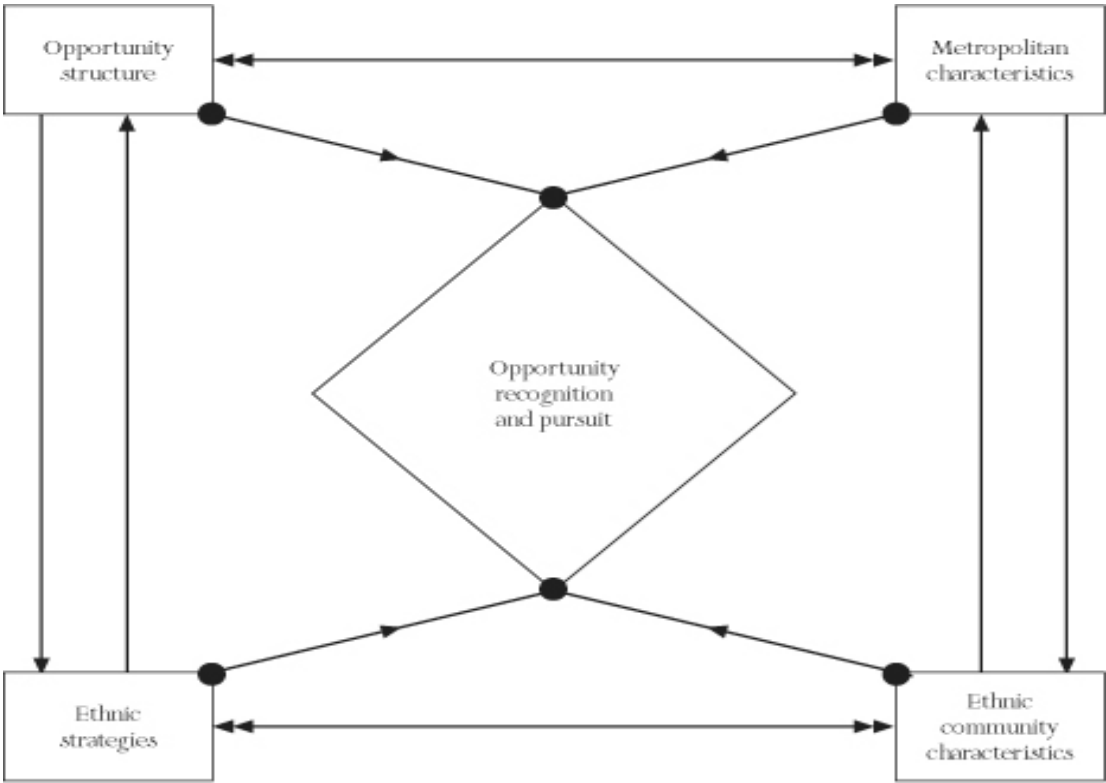


Figure 2

*Interactional Model in Ethnic Business Development (Reference: Fregetto, 2004: 170).*





**Table 1***Demographic Information about Entrepreneurs*

Sector	Gender	Marital Status	Age	Educational Level	How many businesses have you established in the USA?
Clothing	Female	Married	51	High School	One
Clothing	Female	Married	35	Associate (Healthcare)	One
Restaurant	Female	Married	48	High School	One
Furniture	Male	Married	32	High School	Two
Accounting	Female	Married	34	Associate (Accounting)	One
Health	Male	Married	37	Associate (Banking)	Two
Marble/Ceramic	Male	Married	30	Bachelor (Banking and finance)	Two
Used car Trade	Male	Married	56	Associate (Artist)	One
Auto interior design	Male	Married	53	Associate (Tailor)	One
Logistics	Male	Married	33	High School	One
Logistics	Male	Married	37	Bachelor (Computer)	One
Logistics	Male	Married	38	Associate	One
Logistics	Male	Married	49	Bachelor (Physical Education)	Two
Logistics	Male	Single	23	High School	One
Logistics	Male	Single	23	High School	One

**Table 2***Characteristics of Entrepreneurs' Businesses*

Sector	Market Type	Active Year	Capital/Dollar	Average Annual Income /Dollar	Number of Employees	Customer Group
Clothing	Ethnic/closed	4	10.000	70.000	4	Mostly Turkish
Clothing	Ethnic/closed	1	150.000	-	2	Mostly Turkish
Restaurant	Ethnic/closed	3	57.000	128.000	3	Mostly Turkish
Furniture*	Ethnic/closed	2	-	-	5	Mostly Turkish
Accounting	Non-ethnic/Open	5	10.000	100.000	1	Mostly Turkish
Health*	Non-ethnic/Open	5	35.000	600.000	60	Mostly native
Marble/ceramic*	Non-ethnic/Open	2	500.000	1.400.000	10	Mostly native
Used car Trade	Non-ethnic/Open	7	10.000	100.000	2	Mostly native
Auto interior design	Non-ethnic/Open	6	30.000	70.000	3	Mostly native

Logistics	Non-ethnic/Open	7	45.000	150.000	3	Mostly native
Logistics	Non-ethnic/Open	6	60.000	2.500.000	14	Mostly native
Logistics	Non-ethnic/Open	7	30.000	150.000	4	Mostly native
Logistics	Non-ethnic/Open	5	100.000	250.000	2	Mostly native
Logistics	Non-ethnic/Open	7	30.000	220.000	3	Mostly native
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\* Enterprises with an asterisk next to them are second businesses established by their owners. The first businesses established by these entrepreneurs are on logistics.