

СОЦИАЛЬНО-ДЕМОГРАФИЧЕСКИЙ ПОТЕНЦИАЛ РЕГИОНАЛЬНОГО РАЗВИТИЯ

doi 10.17059/2015-2-14

UDC: 331.556

R. Grosu ^{a)}

^{a)} Bucharest University of Economic Studies

DYNAMICS OF IMMIGRANT ENTREPRENEURSHIP IN ROMANIA ¹

Immigrant entrepreneurship may represent a means for diminishing the negative effects specific to the migration phenomenon and for emphasising the positive ones, contributing to the development of strong regions. The present paper outlines a series of information gathered through an ongoing complex and comprehensive research on immigrant entrepreneurship in Romania, approached from economic, social, institutional, and cultural perspectives. The major aim of the research is to provide a wide image on the investigated phenomenon in order to raise awareness among policymakers of its importance and complexity.

The paper puts forward a series of empirical results obtained through the development of an econometrical analysis of statistical data and interview-based research. Results highlight a strong positive correlation between the number of enterprises (total and newly registered) and the number of immigrants in Romania. In this context, the hypothesis of the existence of another variable — especially related to the socio-economic and legislative environments — with an impact on both the number of enterprises and the one of immigrants may arise. Furthermore, in-depth explanations are provided by the carried out interviews. Debated issues refer to motivations, incentives, and obstacles in business development, cultural and social norms, commercial infrastructure, regulatory aspects, etc.

Keywords: entrepreneurship, migration, immigrant entrepreneurship, Turkish immigrant, Romania

Introduction and theoretical basis

We live in an extremely interconnected world where migration is not a newly debated phenomenon. However, this represents a challenge to all nations and regions and requires a special attention and management in order to benefit of and to maximize all its positive outcomes and to alleviate the negative ones. The positive effects of migration are well known for both the sending and the receiving countries — solving vacancy issues on the labour market, remittances, etc. On the other hand, many socioeconomic problems are related to increasing flows of immigrants and often it is very difficult for policymakers to handle them [1]. Some may refer to involvement in illegal activities, unemployment, «tensions on the housing market, ghetto development within cities, differences in behaviour and lifestyle, socio-cultural stress situations» (Borjas, 1990; Kloosterman et al, 1998; Pahl, 1984; Pinch, 1993; Piore and Sabel, 1984 cited in [2, p. 2]). Entrepreneurship — defined

as «any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business» [3, p. 9] — is a key driver of economic growth, being «one of the most important forces shaping the changes in the economic landscape» [4, p. 10]. This, among others, may also represent a good option for alleviating or even eliminating the negative problems related to migration and to better promote and sustain the positive ones.

This way, immigrant entrepreneurship became an important subject on the agenda of policymakers willing to proper manage different migration issues in their country. Especially through promoting policies encouraging entrepreneurship as a solution for a faster integration, unemployment, increasing living standards, enhancing societal well-being, reducing poverty, sustaining economic growth, etc. This way, immigrant entrepreneurship, frequently referred to as ethnic entrepreneurship in the specific scientific literature,

¹ © Grosu R. Text. 2015.

became «a popular concept in a modern multi-cultural society» [5, 2002].

Even the largest study of entrepreneurship in the world, respectively the Global Entrepreneurship Monitor (GEM) focused in 2012 on the investigation of migrant entrepreneurship. This was considered to be an important potential contributor to the development of both the host and the origin countries, especially «through knowledge and information transfer, global trade, job creation, and other benefits.» [6, p. 9].

However, in what concerns the terminology, a series of clarifications are necessary as, in general, the specific scientific literature uses in an interchangeable way the terms of ethnic entrepreneurship, immigrant entrepreneurship, and minority entrepreneurship. Even though the line between the concepts is very thin, there are important differences, very well outlined in Basu [7] as follows. Ethnic entrepreneurship is associated with ethnic entrepreneurs. They are individuals that belong to an ethnic group with a common culture, history, language, etc. and, in general, they tend to develop an ethnic economy based on their close interaction between them and also with their suppliers and consumers. «Thus, an ethnic entrepreneur may or may not be an immigrant but it is likely to belong to a minority community» [Ibid, p. 582]. Immigrant entrepreneurship is associated with immigrant entrepreneurs. They refer to immigrants who initiate and develop a business in their host country. The last category, respectively of minority entrepreneurship is related to minority entrepreneurs. They are part of a minority group, regardless its criteria for establishment. They are not necessary immigrants; for example, sometimes disabled people are included in such a category. Considering all the previously outlined concepts' delimitations, it is important to mention that the present paper does not promote the usage of the terms in an interchangeable way and refers to immigrant entrepreneurship as the form of entrepreneurship associated only with immigrants.

Entrepreneurship is a key factor that puts an important mark on the regional economic change [8]. Immigrant entrepreneurship may bring a valuable contribution to the socio-economic prosperity and cultural diversity in the host region, especially through generating new jobs, promoting different management styles specific to their culture, increasing cultural diversity, reducing unemployment, alleviating social exclusion, increasing the living standards of the immigrant community, etc. [2].

As entrepreneurship among immigrants, ethnic groups, and racial minority groups represents

a subject with a high and, in the same time, increasing interest among both scholars and policy makers in the last years [9], the literature on immigrant entrepreneurship is very complex. Studies focus on different directions such as policy implications and recommendations, business orientation, profile of the immigrant entrepreneur, differences between countries, immigrant entrepreneurs' needs, motivations and potential, comparisons with local entrepreneurs, evaluation of immigrant ventures, entrepreneurial and management styles and strategies, factors with impact on the development of immigrant entrepreneurship, first and second generations of immigrant entrepreneurs etc. [1, 10, 11, 12, 13, 14, 15, 16].

Even though the international literature in the area is very vast, complex, and comprehensive, national literature is in an incipient phase. With the aim to bring a contribution to the development of the literature of immigrant entrepreneurship in Romania, an ambitious research is in its development stage. The present paper outlines specific results obtained until this moment. In addition, the paper presents in its following sections the context in which the research can be placed, the methodology the research and the paper are based on and some empirical results. The paper ends up with a series of final considerations and limitations.

1. The research context

Within the European Union (EU) countries, Romania along with Bulgaria, Estonia, Latvia, Lithuania, and Poland, is an important provider of immigrants [17]. Even though emigration is a part of Romania's international migration that is more pronounced and more visible, immigration does not represent a negligible component. For different people — especially from outside the EU (for example, from the Republic of Moldova, the U.S.A., Turkey or China), but also from the EU members like Italy or Germany — Romania represents an attractive destination for migration. And even for business start-up. There are persons that immigrate in Romania especially for business purpose. However, immigrant entrepreneurship is a very poor researched phenomenon in Romania. Pieces of research in the area are in an incipient phase. For example, even though it is focused on ethnic entrepreneurship, the paper developed by Constantin, Goschin and Dragusin [18] addresses to some extent different issues of immigrant entrepreneurship in Romania, focusing on Turkish entrepreneurs. It outlines a series of challenges faced by Turkish entrepreneurs in Romania in the process of business initiation and development

and also in the construction of a cultural identity in a different and new social context, focusing on religious aspects. Another paper on immigrant entrepreneurship in Romania developed by Grosu and Saseanu [19] approaches this in relation to the supply of goods, highlighting the role that Turkish immigrant entrepreneurs have in the diversification of the supply of bakery products on the Romanian market.

2. Method and data

The present paper outlines a series of information gathered through the development of an ongoing complex and comprehensive research on immigrant entrepreneurship in Romania, evolved from the following questions:

- Is immigrant entrepreneurship manifested in Romania?
- What are its means of manifestation?
- What are the main factors that support/inhibit its manifestation?
- What are the characteristics of the immigrant entrepreneurs?
- Is immigrant entrepreneurship in Romania important for policymakers? In what sense? What are the main action directions?

Starting from the idea according to which immigrant entrepreneurship may represent a proper means for diminishing and even eliminating the negative effects specific to the migration phenomenon and for emphasising the positive ones, the research was designed. The major aim of the research is to provide a wide image on the investigated phenomenon in order to raise awareness among policymakers of the importance and complexity of immigrant entrepreneurship in Romania. Also, recommendations for policy formulation and implications are envisaged. Furthermore, research's major objectives refer to:

- Analysis of immigrant entrepreneurship in Romania.
- Development of the immigrant entrepreneur profile.
- The design of guidelines for policy elaboration in the area of immigrant entrepreneurship.

According to Masurel et al. [5], in general, empirical research on immigrant entrepreneurship has been mainly based on survey questionnaires and interviews, and less on solid statistical modelling. Furthermore, from the literature research and review developed until present in the research frame, it was revealed that interviewing is a very used method for data collection in researching immigrant entrepreneurship. Even though, the research is based on both statistical modelling and qualitative approaches. Statistical and econo-

metrical analysis of data provided by official institutions is accomplished. A qualitative research based on semi-structured interviews is carried out among policy makers, representative figures of the Romanian business environment, authorities and representative figures of the most important immigrant business communities in Romania, and immigrant entrepreneurs. Mainly based on the theory of mixed embeddedness [20] the research approaches immigrant entrepreneurship in Romania from economic, social, cultural, and institutional environments. Furthermore, some of the GEM entrepreneurial framework conditions [6, p. 35] are debated: «entrepreneurial finance, government policy, entrepreneurial education, commercial and legal infrastructure, entry regulations, cultural and social norms».

This paper outlines the results of the econometrical analysis of statistical data and the inductive analysis of the information gathered from the interviews carried out until the present moment. More specific methodological aspects are highlighted further on.

2.1. Data analysis

Statistical data in Romania for the NUTS 3 level is quite scarce. In order to collect the necessary data for the analysis, the websites of the National Institute of Statistics and the National Office of the Commerce Registry have been consulted. It is very important to outline that there have not been found yet a register that keeps an evidence of the enterprises started and developed by immigrants in Romania. As an international component in an enterprise, The National Office of the Commerce Registry registers only the enterprises with foreign participation to the capital. This refers to enterprises started and developed — in part or in totality — through the participation of private individuals or corporate entity with their stable residence or their headquarters outside Romania [21]. In addition, considering the definition of immigrant entrepreneurship used in the research, this evidence does not reflect immigrant entrepreneurial ventures. However, it may outline more other aspects related to international entrepreneurship. The General Inspectorate for Immigration does not have either evidence on immigrant entrepreneurs in Romania. This registers immigrants according to their migration purpose in Romania (work, business start-up, family reunification, etc.) but do not focus on the real initiation and development of businesses. Considering all the mentioned aspects, for the statistical and econometrical analysis the following data sets have been identified and used:

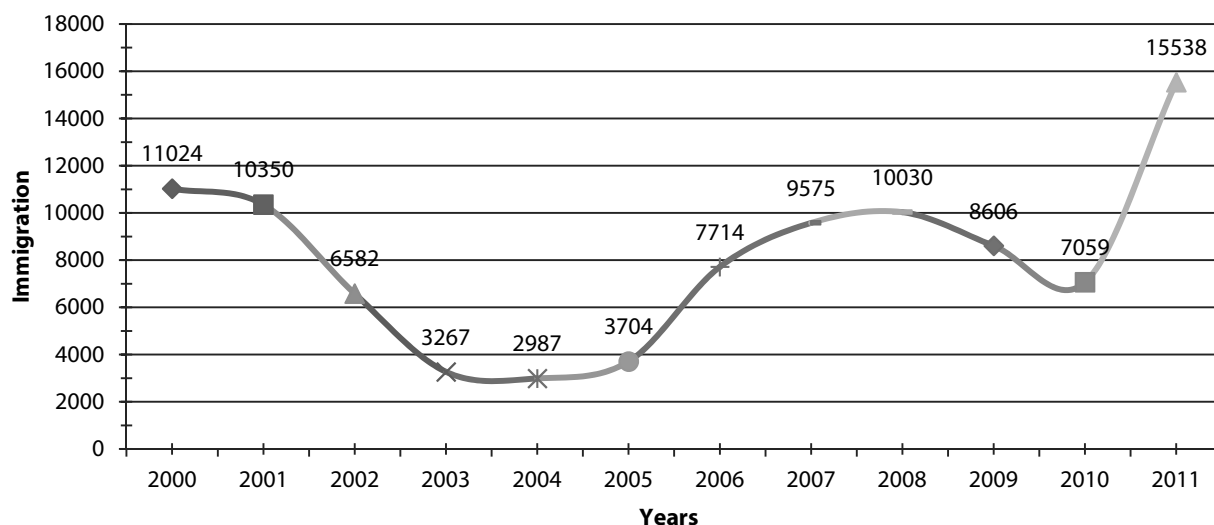


Fig. Immigration in Romania between 2000 and 2011 (no. of persons). Source: own representation based on data provided by The National Institute of Statistics [22]

— The number of immigrants in Romania at NUTS 3 level between 2000 and 2011 provided by the National Institute of Statistics [22]. It is important to mention that the National Institute of Statistics provides data only on legal definitive immigration. In this sense, the magnitude of the phenomenon is not totally approached. By immigrant, it is understood a citizens from another country who settled his/her permanent residence in Romania.

— The number of active enterprises in Romania at NUTS 3 level between 2000 and 2008 provided by the National Institute of Statistics [22]. The active enterprise is the one that is active from economic perspective, respectively produces goods and/or services, registers costs and fills in accounting documents, especially the balance sheet.

— The number of newly registered companies in Romania at NUTS 3 level between 2009 and 2014 provided by the National Office of the Commerce Registry [21]. They refer to both self-employed persons and enterprises.

Even if the collected data has some weak points, this is accurate, and it is provided by prestigious, trustworthy, and recognised institutions in Romania.

Considering the diversity in data series, it was useful to analyse the evolution of immigration in Romania between 2000 and 2011. As outlined in the figure above, there were some peaks of the immigration phenomenon in Romania (2008 and 2011) in the analysed period. They represent post-adhesion moments of Romania to the EU and they were chosen for the development of a series of econometric models in order to test the influence of immigration on business initiation and

development in Romania, as it will be presented in the next section of the paper.

2.2. Qualitative analysis

In what concerns the qualitative part of the paper, this refers to one semi-structured telephone interview carried out with one representative of the General Inspectorate for Immigration in Romania, and two semi-structured interviews (one carried out by telephone and one by e-mail) with representatives of the National Office of the Commerce Registry. Also, face-to-face semi-structured interviews were carried out with three representatives of the Turkish business community in Romania, and 10 Turkish immigrant entrepreneurs in Romania. Considering the fact that there is no clear evidence of the number of immigrant entrepreneurs in Romania, the snowball sampling technique, and the purposive one were chosen for establishing the research sample. All of the interviews were formal and based on an interview guide. However, the number of questions addressed or the order in which they were addressed varied from one interviewee to another, in accordance with the interview's way of development. The interviews were, in general, one-to-one type. Even though, there were also situations in which the presence of another person — especially translator — was necessary. They took place, in general, at the interviewees' office and they last, in average for 30 minutes. Considering confidential reasons, the identity of the persons involved in the interviews is not revealed. Although the research envisages various communities of immigrant entrepreneurs in Romania, until this stage of development, only the Turkish community has been approached. However, from another perspective,

Statistical data sets used in the analysis

County in Romania (NUTS 3 level)	total enterprises_2008	immigrants_2008	immigrants_2011	new enterprises_2008	new enterprises_2011
Alba	8270	57	77	2461	3396
Arad	12535	155	175	3363	3124
Arges	14683	82	96	3580	3873
Bacau	12318	155	290	3522	3118
Bihor	18850	151	141	4872	4496
Bistrita-Nasaud	6938	61	61	1759	2332
Botosani	4523	73	276	1680	1657
Braila	7176	53	72	4667	3612
Brasov	20287	268	232	2010	1887
Buzau	10348	51	98	2474	2154
Calarasi	5021	39	14	1402	1537
Caras-Severin	5547	92	63	1511	1269
Cluj	27657	340	293	7258	5965
Constanta	23624	342	260	5840	5158
Covasna	4734	60	42	1193	1037
Dambovita	7577	61	133	2617	2797
Dolj	14446	137	137	3465	4203
Galati	12741	179	663	3403	3255
Giurgiu	4236	30	21	1365	1313
Gorj	6492	30	31	1604	1749
Harghita	8585	119	96	2346	1786
Hunedoara	10521	96	79	2669	2692
Ialomita	4287	60	72	1384	1127
Iasi	17319	334	1748	5906	5044
Ilfov	12127	125	312	4370	3484
Maramures	11486	139	134	3282	3253
Mehedinti	4179	77	37	1449	1662
Bucharest	117813	4506	6672	25660	19273
Mures	13989	157	131	3578	2804
Neamt	10170	209	254	2687	2432
Olt	6555	21	40	1893	2074
Prahova	18394	168	132	5050	3929
Salaj	5259	50	70	2558	2271
Satu Mare	8560	99	87	1672	1583
Sibiu	12136	176	134	3016	2543
Suceava	11230	375	977	3046	3235
Teleorman	5284	18	31	1625	1816
Timis	24018	446	386	5592	4730
Tulcea	4816	58	39	1184	1239
Valcea	8108	108	55	1568	1513
Vaslui	5338	83	769	2059	2123
Vrancea	6790	190	108	1599	1617

Source: National Institute of Statistics, [22]; Ministerul Justitiei, Oficiul National al Registrului Comertului, [23].

Turkish immigrant entrepreneurs along with the Chinese ones are probably the most representative on the Romanian business environment. Also, even though the research is intended to be developed at national level, until this moment interviews were carried out only in Bucharest. This is also in correlation with the fact that most of the immigrants and enterprises are concentrated in Bucharest, part of the Bucharest-Ilfov region (NUTS 2 level). This offers the possibility of developing business in almost all areas, being a very auspicious environment for investment. It provides various facilities and opportunities; entrepreneurs may benefit from the relatively low taxes in the settlements around Bucharest, of the large availability of services of general interest, etc. [24, 25].

3. Main results

3.1. Econometrical approach

Based on data presented in Table 1 and on the explanations outlined in the methodological part of the paper, three econometrical models were developed using the statistical software SPSS 17.0.

The first model comprised the total number of active enterprises in Romania at NUTS 3 level in 2008 as dependent variable and the number of immigrants in Romania at NUTS 3 level in 2008 as independent variable, being based on the following equation:

$$\text{Total enterprises}_{2008} = \alpha_0 + \beta_0 \times \text{immigrants}_{2008} + \varepsilon \quad (1)$$

The Pearson Correlation coefficient registered a value of 0.972 at a significance level of 0.01 (sig. = 0.000) highlighting a positive relation between the two variables and, implicitly a strong correlation between them. *R* registered a value of 0.972 emphasising the strong direct correlation between the variables. The model is correctly specified (*R*-square = 0.944) and it outlines the fact that 94 % of the variations of the total number of enterprises is explained by the proposed model, more exactly by the variation of the number of immigrants (Table 2).

Rewriting the model according to the obtained coefficients (Total enterprises₂₀₀₈ = 7241.573 + 25.007 × immigrants₂₀₀₈) it may be assessed that an increase of one unit in the number of immigrants, generates an increase of 25 units in the number of total active enterprises.

The second model comprised the number of newly registered enterprises in Romania at NUTS 3 level in 2008 as dependent variable and the number of immigrants in Romania at NUTS 3 level in

Table 2

Indicators and correlation coefficient specific to model 1

Indicator	Value
<i>R</i>	0.972
<i>R</i> ²	0.944
Pearson	0.972
Sig.	0.000

Source: own computations.

Table 3

Indicators and correlation coefficient specific to model 2

Indicator	Value
<i>R</i>	0.951
<i>R</i> ²	0.904
Pearson	0.951
Sig.	0.000

Source: own computations.

2008 as independent variable, being developed in the following equation:

$$\text{New enterprises}_{2008} = \alpha_0 + \beta_0 \times \text{immigrants}_{2008} + \varepsilon \quad (2)$$

The Pearson Correlation coefficient registered a value of 0.951 at a significance level of 0.01 (sig. = 0.000) highlighting a positive relation between the two variables and, implicitly a strong correlation between them. *R* registered a value of 0.951 emphasising the strong direct correlation between the variables. The model is correctly specified (*R*-square = 0.904) and it outlines the fact that 90 % of the variations of the total number of newly registered enterprises is explained by the proposed model, more exactly by the variation of the number of immigrants. (Table 3)

Rewriting the model according to the obtained coefficients (New enterprises₂₀₀₈ = 2164.437 + 5.317 × immigrants₂₀₀₈) it may be assessed that an increase of one unit in the number of immigrants, generates an increase of 5 units in the number of newly registered enterprises.

The last model comprised the number of newly registered enterprises in Romania at NUTS 3 level in 2011 as the dependent variable and the number of immigrants in Romania at NUTS 3 level in 2011 as the independent variable. Its equation is:

$$\text{New enterprises}_{2011} = \alpha_0 + \beta_0 \times \text{immigrants}_{2011} + \varepsilon \quad (3)$$

The Pearson Correlation coefficient registered a value of 0.916 at a significance level of 0.01 (sig. = 0.000) highlighting a positive relation between the two variables and, implicitly a strong correlation between them. *R* registered a value of 0.916 emphasising the strong direct correlation be-

Table 4
Indicators and correlation coefficient specific to model 3

Indicator	Value
R	0.916
R ²	0.839
Pearson	0.916
Sig.	0.000

Source: own computations.

tween the variables. The model is correctly specified (R -square = 0.839) and it outlines the fact that almost 84 % of the variations of the total number of newly registered enterprises is explained by the proposed model, more exactly by the variation of the number of immigrants (Table 4).

Rewriting the model according to the obtained coefficients (New enterprises₂₀₁₁ = 2179.918 + 2.485 × immigrants₂₀₁₁) it may be assessed that an increase of one unit in the number of immigrants, generates an increase of 2 units in the number of newly registered enterprises.

The elaborated models highlight the strong positive correlation between the number of enterprises (total and newly registered) and the number of immigrants in Romania and also their simultaneously evolution. However, considering the obtained results, the hypothesis of the existence of another variable with an impact on both the number of enterprises and the one of immigrants may arise. It may refer to the socio-economic context and the legislative context. These may influence both the number of enterprises and the number of immigrants, generating strong correlations between them. These strong positive links, correlated with the idea of another impact variable's existence, may represent in this context a limitation of the developed models. Furthermore, another limitation may refer to the used method. The usage of the simple regression method may not allow to evaluate the influence of immigrants on the Romanian business environment appropriately — characterised by total number of businesses and newly registered businesses. Multiple regression models may be more suitable in this situation and may also enable the evaluation of the impact of other determinants on the Romanian business environment. However, their generation was quite difficult. The outlined situation specific to the econometrical analysis results is one that needs further clarifications and information. In this context, qualitative research may represent a plus in order to better clarify the problem and to get additional information.

3.2. Qualitative approach

This part of the paper puts forward a series of information obtained from the qualitative re-

search that are mainly processed and explained using the inductive approach. All the information express interviewees' point of view in relation to different investigated aspects.

According to the interviews with the representatives of the General Inspectorate for Immigration in Romania and of the National Office of the Commerce Registry, Romania represents an attractive and auspicious environment for investment for foreign people. Even though many of the investments are reflected in FDI, there are many immigrant entrepreneurs that own active enterprises in Romania. Immigrant entrepreneurship, in a smooth and safe way, is starting to become increasingly visible in Romania. Especially after the adhesion to the EU, the degree of attractiveness for immigrant business development increased. Authorities are aware of the phenomenon and, following the example of other EU members, are concentrating their efforts towards its proper management. Actions are mainly oriented towards their effective evidence recording, support, and monitoring. Different best practices, and even examples of «how not to ...» may be drawn from the UK, the Netherlands, Germany, Spain, Italy, etc.

Considering the Turkish immigrants in Romania, according to the interviews carried out with representatives of the Turkish Businessmen Association (TIAD [26]) and with Turkish immigrant entrepreneurs, Romania has always been considered an interesting country for investment. Turkish entrepreneurs are active in almost all the branches in Romania, from the financial sector, to hard industries, agriculture, or tourism. However, as number of enterprises, they are concentrated in the wholesale area while as investment amount, in services and production. In terms of geographical positioning, they are active mainly in Bucharest.

From an economic perspective, Romania is an important market; its internal market is quite large and attractive. Also, the geographical position close to Turkey represents a very strong point. In addition, being part of the EU, represents an important factor that contributes to a more facile access to surrounding markets and neighbouring countries. However, besides all the economic and geographical strong points, one of the most important advantage of our country is represented by the people. Romanians are perceived as being very friendly, manifesting a very positive and opened attitude towards Turkish entrepreneurs. Among the EU members, Romania has the most hospitable and welcoming people, in Turkish entrepreneurs' opinion. Thus, in general, Turkish immigrant entrepreneurs did not encountered serious barriers in their integration process from the

part of the Romanian society. Romanians, with their openness and hospitality, played an important role in facilitating the integration process of immigrants in the host country.

Considering the business perspective, Romanian businessmen are opened towards collaborations with Turkish entrepreneurs. Even though the shareholders and the managers of the interviewed companies are mainly Turkish immigrants, there are also situations when the business was started in collaboration with Romanians. In this case, the partnership types are of 50 %-50 % or even higher than 50 % for the Romanian shareholder. The acculturation strategy embraced by the Turkish immigrant entrepreneurs refers to integration. This is very visible in their business process especially through close collaborations with Romanians. Furthermore, even though there are some cultural differences in what concerns the entrepreneurial perspectives and managerial acts between Romanian and Turkish people, it is facile to get to a common point between them.

The Turkish business community is a very strong one, and immigrant entrepreneurs cooperate with each other. Turkish immigrants are one of the most important ethnic communities of businessmen in Romania. They are well organized in professional associations. This way, they prove the importance they perceive in regard to the ways of concentrating their efforts in order to be better represented on the Romanian market. One remarkable example in this sense is TIAD. This is a private NGO, apolitical and non-profit association that was first established in Romania in 1993, at the moment being member and vice-president of the European Federation of the Turkish Businessmen Associations. The scope of the association is to contribute to relation, social networks, etc. to the development of fruitful bilateral relationships between Romania and Turkey, especially from an economic perspective. However, cultural and social approaches are also envisaged. TIAD is aimed to become a strong representative of the Turkish business environment in Romania. It supports its members and becomes an interface between them and the Romanian authorities. Also, on the other hand, the Romanian authorities find in the association an important partner. This is considered as an important liaison factor with the Turkish business community, and it helps the Romanian authorities to disseminate all the necessary information among the community's members. In 2011, out of the 6,000–6,500 active enterprises in Romania — the total number of registered companies by Turkish people was of approximately 12,800 — TIAD comprised approximately

150 members. However, in terms of business representation it reached the number of 700 (TIAD, 2011). This is mainly because in Romania the holding companies are not very well approached in the legislation and because, in general Turkish entrepreneurs register one company with active competences in various areas — three, four, and even up to ten. In general, TIAD members are important players on the Romanian market. They are medium or big enterprises, especially in terms of turnover, name, brand, reputation and they contribute 70–80 % to the total turnover accomplished by the Turkish investors in Romania. Even though the entrepreneur has to be of Turkish nationality in order to be included in the association, not all the members are immigrants; furthermore it can be assessed that many of them are only investors in Romania.

The interviewed Turkish entrepreneurs were men, aged between 30 and 58 who emigrated to Romania mainly for business purpose in different periods starting from the fall of the communist regime (for example, 1992) until more recent periods (for example, 2011). However, there were also immigrants who came to Romania primarily for labour reasons or even for family reunification, but in short periods of time they became entrepreneurs. For example, in case of one young interviewee, the reason for migrating in Romania was to follow his father, a businessman in Romania. Even the primary migration purpose was family reunification, the role model put a mark on the younger immigrant's career in Romania. After graduating Business Administration studies in Turkey, (this being the main reason he did not immigrate at the same time with his parents) he immigrated in Romania. Both the theoretical knowledge he acquired during his studies and the practical knowledge and skills he developed through active involvement in his father's business activities, represented a very solid base for initiation and development of an entrepreneurial venture. Considering the educational attainment, most of the interviewed entrepreneurs have a university degree. However, entrepreneurial education was not followed. Their entrepreneurial orientation is more a native skill than one developed during life through education.

They have a very developed entrepreneurial spirit, and they are very flexible and adaptable to the market conditions. In this frame, Turkish immigrant entrepreneurs work for Romanians; all the services, products they produce and/or sell are oriented towards Romanians. Turkish immigrants' community in Romania, implicitly in Bucharest is relatively small and, in addition, there is not a very

pronounced ethnic market niche. A business targeted only towards clients from the Turkish community is not very profitable. However, there are Turkish immigrant entrepreneurs with businesses active in the restaurants area or in the food retail sector that produce and sell Turkish food. Even though they also address to Turkish persons, the vast majority of their clients are Romanians who appreciate and manifest a very positive attitude towards Turkish products. In general, Romanian consumers are attracted by Turkish products. This may be due to historical reasons and the very close friendship and cultural familiarity between the two nations

The business initiation and development process in Romania is considered quite similar to the one in Turkey. However, there are some obstacles immigrants perceive in their entrepreneurial path in Romania. For example, in what concerns foreign citizens in Romania, there were a lot of changes in the regulatory acts. These frequent and many changes led – to some extent – to the elimination of small businesses owned by Turkish immigrants in Romania. One important factor was represented by the introduction of different investment limit conditions and various specifications in regard to the residency permit in Romania. In this frame, many entrepreneurs do not hire Turkish immigrants unless it is extremely necessary. Most of the employees of the Turkish immigrant entrepreneurs are Romanians. Turkish people represent a very expensive labour force, and it is very difficult to persuade a person of Turkish nationality to immigrate to Romania. For example, in Turkey the supervisor of a construction team earns 700–800 or even 1,000 euro per month. A Romanian is paid less. It is more advantageous to hire Romanians.

Furthermore, there are some perceived obstacles that are not specific only to the Turkish entrepreneurs. They apply to the whole business community in Romania. They mainly refer to rapid changes in regulations and the Romania's economic structure and the governmental structure. The taxation system and corruption represent as well important obstacles in entrepreneurship development in Romania. These are inhibitors also for the Romanian businessmen. However, immigrants seem to be more affected by corruption, in comparison with the Romanian entrepreneurs. Through corruption, they face a lot of hindrances in their entrepreneurial demarche especially by discrimination and bribe. Another inhibitor factor is related to financial resources. Difficult access to credit or other financial means cumbers

and sometimes even obstructs different entrepreneurial intentions.

Concluding remarks and limitations

Immigrant entrepreneurship in Romania is becoming a very visible and important phenomenon. Romanian authorities and policy makers are concentrating their efforts towards its proper management in order to obtain the major benefits out of it and to minimise all the associated risks. Collaboration with foreign authorities in Romania and also with representative organizations of the foreign business environment in Romania represents a strong point.

Econometrical processing of statistical data revealed strong positive correlations and simultaneously evolutions between the number of total active enterprises, newly registered enterprises, and of immigrants in Romania in 2008 and 2011. In this context, the hypothesis of the existence of another variable – especially related to the socio-economic and legislative environments – with an impact on both the number of enterprises and the one of immigrants may arise.

Romania is perceived as a very attractive destination for immigrants, especially by those who are directly oriented towards business initiation and development. Turkish entrepreneurs are a very relevant example as they represent one of the most important communities of businessmen in Romania. The geographical position of Romania, its status of EU member, the historical connexions between the two countries, the low cost of labour compared to Turkey, the structure of the internal Romanian market, the Romanian consumers and businessmen, etc. represent important strong factors that support business initiation and development in Romania by Turkish immigrant entrepreneurs. However, from another perspective, there are also different obstacles that Turkish immigrant entrepreneurs perceive in their entrepreneurial path in Romania. They mainly refer to the changes in the regulatory acts, implicitly to the instability of the Romanian legislation environment, and to the changes in Romania's economic structure. Furthermore, corruption and the taxation system are seen as important inhibitors for the entrepreneurial process. Also, difficult access to credit or other financial sources may be part of this category.

Immigrant entrepreneurship may represent an important factor in building up strong regions in Romania, and also for promoting Romania as a competitive country. Enterprise creation, job generation, reduction in unemployment, cultural diversity, enrichment of management practices,

and other positive outcomes associated with immigrant entrepreneurship may foster economic growth. Also, from another perspective, it may facilitate the integration process of immigrants in the host regions. This latter aspect is also encouraged and supported by the Romanian people – very hospitable and opened towards Turkish immigrants' integration – both in their role of businessman and consumers. There are strong collaborations between Turkish immigrant and Romanian entrepreneurs. On the other hand, Romanians are the main and the most important clients for Turkish immigrant entrepreneurs, and they are very opened towards Turkish products, embracing them very quickly.

Romanian authorities and policymakers are concentrating their efforts towards the proper management of immigrant entrepreneurship. Actions are mainly oriented towards immigrant entrepreneurs' effective evidence recording, sup-

port, and monitoring. In addition, national and regional strategies may be designed in order to sustain and facilitate immigrant entrepreneurship. Their promoted directions may be in line with financial support, educational infrastructure, discrimination elimination, financial/taxation incentives, etc.

The paper outlined the results obtained until the present moment from the development of a very complex and comprehensive research on immigrant entrepreneurship in Romania. Its limitations arise from the poor availability of statistical data sets – especially at NUT 3 level in Romania –, the small number of carried out interviews, the focus on just one NUTS 3 level region in Romania for interviewing, and the focus on just one community of immigrant entrepreneurs. However, all of these are aimed to be alleviated and even eliminated in the near future, as the research develops.

Acknowledgements

This work was supported by the European Social Fund through Sectorial Operational Programme Human Resources Development 2007–2013, project number POSDRU/159/1.5/S/142115, project title “Performance and Excellence in Postdoctoral Research in Romanian Economics Science Domain”.

References

1. van Delft, H., Gorter, C. & Nijkamp, P. (2000). *In search of ethnic entrepreneurship opportunities in the city: a comparative policy study. Environment and Planning C: Government and Policy*, 18(4), 429-451.
2. Baycan-Levent, T., Gulumser, A.A., Kundak, S., Nijkamp, P. & Sahin, M. (2006). Sustainable Development in a Diverse World (SUS.DIV) Position paper of research task 4.4. “Diversity and ethnic entrepreneurship: Dialogue through exchanges in the economic arena”. *Diversity and ethnic entrepreneurship*. Available at: http://www.susdiv.org/uploadfiles/RT4_4_PP_Tuzin.pdf
3. Bosma, N., Wennekers, S. & Amoros, J. E. (2012). *Global Entrepreneurship Monitor. 2011 Extended Report: Entrepreneurs And Entrepreneurial Employees Across The Globe*. Available at: <http://www.gemconsortium.org/docs/download/2200>
4. Matis, D., Nagy A., Petru T. P. & Benyovszki, A. (2011). *Entrepreneurship in Romania. 2010 Country Report*. Available at: <http://www.gemconsortium.org/docs/764/gem-romania-2010-report>
5. Masurel, E., Nijkamp, P., Tastan, M. & Vindigni, G. (2002). Motivations and Performance Conditions for Ethnic Entrepreneurs. *Growth and Change*, 33(2), 238-60.
6. Xavier, S. R., Kelley, D., Kew, J., Herrington, M. & Vorderwülbecke, A. (2013). *Global Entrepreneurship Monitor. 2012 Global Report*. Available at: <http://www.gemconsortium.org/docs/download/2645>.
7. Basu, A. (2006). Ethnic minority entrepreneurship. In M. Casson, B. Yeung, A. Basu & N. Wadeson (Eds.). *The Oxford Handbook of Entrepreneurship*. New York, NY: Oxford University Press, 580-600.
8. Fisher, M. & Nijkamp, P. (2009). *Entrepreneurship and Regional Development*. Paper of the VU University Amsterdam, Faculty of Economics, Business Administration and Econometrics number 0035. Available at: <http://degree.uvu.vu.nl/repec/vua/wpaper/pdf/20090035.pdf>.
9. Fairchild, G. B. (2009). Residential segregation influences on the likelihood of ethnic self-employment. *Entrepreneurship Theory and Practice*, 33(2), 373-395.
10. Kloosterman, R. (2003). Creating opportunities. Policies aimed at increasing openings for immigrant entrepreneurs in the Netherlands. *Entrepreneurship & Regional Development*, 15(2), 167-181.
11. Arjona, A. (2004). *Inmigración y mercado de trabajo. El caso de la economía étnica en Almería*. Almería: Universidad de Almería.
12. Kitching, J., Smallbone, D. & Athayde, R. (2009). Ethnic Diasporas and Business Competitiveness: Minority-Owned Enterprises in London. *Journal of Ethnic and Migration Studies*, 35(4), 689-705.
13. Gonzalez-Gonzales, J. M., Bretones, F. D., Zarco, V., Rodriguez, A. (2011). Women, immigration and entrepreneurship in Spain: A confluence of debates in the face of a complex reality. *Women's Studies International*, 34, 360-370.
14. Ilhan-Nas, T., Sahin, K. & Cilingir, Z. (2011). International ethnic entrepreneurship: antecedents, outcomes and environmental context. *International Business Review*, 20(6), 614-626.
15. Baycan, T., Sahin, M. & Nijkamp, P. (2012). The urban growth potential of second-generation migrant entrepreneurs: A sectoral study in Amsterdam. *International Business Review*, 21(6), 971-986.
16. Neville, F., Orser, B., Riding, A. & Jung, O. (2014). Do young firms owned by recent immigrants outperform other young firms? *Journal of Business Venturing*, 29, 55-71.

17. Grosu, R. M., Constantin, D. L. (2013). The international migration in the EU. A descriptive analysis focused on Romania. *Acta Universitatis Danubius — Oeconomica*, 9(4), 306-318.

18. Constantin, D. L., Goschin, Z. & Dragusin, M. (2008). Ethnic entrepreneurship as an integrating factor in civil society and a gate to religious tolerance: a spotlight on Turkish entrepreneurs in Romania. *Journal for the Study of Religions and Ideologies*, 7(20), 49-79.

19. Grosu, R. M. & Saseanu, A. S. (2014). Immigrant entrepreneurship — a challenge to commodity science in the age of globalization. In: A. Chochol & J. Szakiel (Eds.). *Commodity Science in Research and Practice — Achievements and challenges of commodity science in the age of globalization*. Krakow: Polish Society of Commodity Science, 119-130.

20. Kloosterman, R., Van der Leun, J. & Rath, J. (1999). Mixed embeddedness: (in)formal economic activities and immigrant businesses in the Netherlands. *International Journal of Urban and Regional Research*, 23(2), 253-267.

21. Ministerul Justiției, Oficiul Național al Registrului Comerțului (2008). *Societati comerciale cu participare straina la capital. Sinteza statistica a datelor din registrul general al comerțului la 31 decembrie 2008 — date provizorii*. (in Romanian). Available at: http://www.onrc.ro/statistici/is_decembrie_2008.pdf.

22. National Institute of Statistics (2014). *Tempo on-line serii de timp (in Romanian)*. Available at: <https://statistici.insse.ro/shop>.

23. Ministerul Justiției, Oficiul Național al Registrului Comerțului (2014). *Inmatriculari de persoane fizice si juridice (in Romanian)*. Available at: <http://www.onrc.ro/index.php/ro/statistici>.

24. Constantin, D. L. (2013). Bucharest-Ilfov Region of Romania as a Rising Star in Regional Competition. Some Insights in the Context of Globalisation. *Romanian Journal of Regional Science*, 7 (Special Issue December 2013), 48-68.

25. Grosu, R. M., Constantin, D. L., Goschin, Z., Ailenei, D. & Alpopi, C. (2014). Bucharest metropolitan area and its external hinterland: spread or backwash effects? *The 54th Congress of European Regional Science Association*. Sankt Petersburg, Russia.

26. TIAD (2011). *Romania — Businessmen and investors guide*. Bucharest, Romania: TIAD.

Information about the author

Grosu Raluka (Bucharest, Romania) — Doctor of Philosophy, Associate Professor, Faculty of Business and Tourism, Bucharest University of Economic Studies (nr. 41 Sector 1 Blvd. Dacia, 010404 Bucharest, Romania; e-mail: petrescu_raluca_mariana@yahoo.com).