

## **The Emergence of Minority Entrepreneurship among the Western Thrace Turks in Greece**

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### **Introduction**

The emergence of ethnic or minority entrepreneurship is getting more attention not only in academia but also in states which have accommodated ethnic, religious, or linguistic minorities or groups in last the two decades. The economic integration of minorities or ethnic groups in their host states is as important as their cultural and linguistic integration. Most current researchers indicate the increase of minority business entrepreneurship (MBEs) in many states, including the USA and the UK. In parallel to their increasing numbers, the line of minority enterprise in the market is also growing despite the existence of some barriers and discriminations in many states.

In the literature, issues related to minority business entrepreneurship are usually discussed by referring to immigrants. In this context, differences between immigrant communities and historical, regional or national minorities are generally ignored by a majority of researchers despite many states accommodating national or regional minorities next to immigrants. However, the scope of this paper is not to be involved in such discussions, but focus merely on the Western Thrace Turks' business entrepreneurships (excluding sole-traders), and their marketing strategies in Greece. Additionally, as national minority members, their relations with the Greek entrepreneurs and public authorities both in and out of Western Thrace (northern Greece) will be elucidated.

## **Minority Business Entrepreneurship**

In existing literature, there are numerous definitions of MBEs depending on the concept, however they all generally refer to smaller, younger firms which are established by entrepreneurs for various reasons. Making profit by taking several risks in the market, willingly working for himself/herself or (probably most commonly) avoiding discrimination in the public sphere dominated by majority entrepreneurs are generally accepted as common reasons in this regard. It seems that relying on social group resources for their development and expanding their business throughout economic fringe of the minority are prominent features of minority business entrepreneurship. As Lazaridis and Koumandraki (2003) express from a cultural point of view, some scholars emphasise the importance of ethnic solidarity and participation in ethnic social networks on business ownership and success. However, Carter et al (2015), argues that “ethnicity should not be taken as the defining characteristic” of ethnic minority business, as most of them escape from using ethnic label.

While entrepreneurship has a crucial role in the economic development of a region/country, the MBEs go beyond that as some policymakers see them as a tool to combat social and economic exclusions (Smallbone, 2005). According to Smallbone (2005), there are potential benefits at both the macro and micro levels by using entrepreneurship as a mechanism to accommodate “marginalised ethnic minorities and immigrants communities” within the mainstream societies and economies. One might argue that minority entrepreneurship can facilitate the establishment of peaceful and sustainable social and economic relations between minority and majority communities.

Although the emergence of minority business entrepreneurship within immigrant communities is usually considered as a positive economic initiative in most states, the increase of minority entrepreneurs from national or regional minorities can provoke mixed reactions and approaches. Such reactions and approaches appear to mostly be negative in the case of regional and national minorities residing close to border of their kin-states. In such circumstances, the emergence of minority business entrepreneurship can be easily seen as an initiative to destroy the ‘unity of a country’ or against the national interest, particularly when a kin-state intends to support and promote minority business activities by providing networking services. Under such circumstances, minority business entrepreneurship might face isolation to some extent, if not discrimination. The minority entrepreneurship of Western Thrace Turks in Greece represents

a good example of national minority business near the border between the host and kin-states, namely Greece and Turkey.

### **Greece and Ethnic Entrepreneurships**

Greece has confronted serious economic and financial difficulties since 2009 and as a consequence was forced to sign three Memorandums (Economic Adjustment Programmes), which were in fact Bailout Loan Agreements (2010, 2012, 2015) in order to deal with its economic difficulties. Following the application of huge bailout programmes, Greece finally managed to see a small fiscal surplus of 0.7% in 2016. Additionally, Greece successfully exited the observation of the extreme deficit on 25 September 2017. However, despite all other similar positive improvements, the situation is defined by Mavridis as “an economic illusion”. Mavridis (2018) argues that “a virtual reality that cannot change the overall image of the Greek economy” because the “Greek economy has to achieve a secondary surplus” and a full recovery of the Greek economy will take substantial time.

Under the above mentioned economic and financial circumstances, thousands have lost their jobs and huge numbers of enterprises have collapsed. Total unemployment increased dramatically from 7.8% in 2008 to 26.5% in 2014 (Eurosat). Vlado, Denizos and Chatzinikolaou (2017) express that the economic and financial circumstances of small and medium enterprises in Greece has deteriorated significantly due to the ongoing economic crisis, which also led to liquidity shortage for companies, higher taxation, a decrease in consumption demand, high operating cost etc. According to them, these economic problems created a negative environment for all new and existing companies, including ethnic or minority entrepreneurships.

### **Western Thrace Turks and Entrepreneurship**

The Western Thrace Turks are one of the few remaining Turkish communities in the Balkans from the Ottoman Empire era. They became a minority in north-eastern Greece following the ratification of the Treaty of Lausanne in 1923. While being the only officially recognised minority group in Greece, the recognition is limited to the term ‘Muslim minority’ and the Greek administration views religion as the key defining element of the minority.

Despite continuing emigration due to the economic crisis in Greece, the Western Thrace Turks still constitute an important percentage of the prefectures of Rodopi, Xanthi and Evros, which are within the border of the self-administrated region of Eastern Macedonia and Thrace. The region of Eastern Macedonia and Thrace is one of the thirteen Greek self-administrated regions and is a less developed region compared to other self-administrated regions. It is located in northeast Greece, close to the Bulgarian and Turkish borders. Vlado and Chatzinikolaou (2019), define the region as a “border region that is both peripheral, because of its reduced socioeconomics relations with other areas, and disadvantageous due to the existence of inherent weaknesses that impede the development process”. The city of Komotini (Gümülçine) is the administrative centre of the region where the majority of Western Thrace Turks entrepreneurship are emerging.

The region of Eastern Macedonia and Thrace is one of the most affected regions of the ongoing economic crisis and it “shows symptoms of underdevelopment” (Vlado, et al, 2019). As demonstrated by the most recent data by the Hellenic Statistical Authority (2019), the region recorded the lowest per capita GDP in 2016 (€11,432) compared to the country average of €16,378. Additionally, GDP fell by 29% between 2008 and 2016, from €9.5 billion in 2008 to €6.7 billion in 2016 according to the European Commission (cited in Vlado, et al, 2019). In parallel to the decrease in GDP, unemployment has increased from 8.8% in 2008 to 16.2% in 2019, which is far above the EU-27 average, which is now 6.7%. Additionally, the region has one of the highest percentages of long-term unemployment in 2019, which is 74.5% compared to 41.8% on average in the EU in 2019 (Eurostat, 2019).

Before analysing and discussing the minority entrepreneurship in Western Thrace, it seems necessary to understand economic, social conditions that the Western Thrace Turks have faced for decades. Looking back, the Greek military junta of 1967 can be considered as a turning point in the deterioration of rights, including economic and social. By the beginning of the 1970s, the minority began experiencing discrimination in their social, cultural as well as economic life. In this situation, buying land, getting business loans or making investments were almost impossible, which made it very difficult for the minority to escape from poverty or become entrepreneurs. Minority entrepreneurship consisted of only shop owners and self-employees working as a plumbers or electricians during the 1980s and 1990s. Following two decades from the Greek military junta, it was not possible for minority members to get involved in trade or production by establishing firms. During these years, many people from the minority

who had investment potential emigrated to Turkey and established businesses there instead. As a result of this, there is a huge number of entrepreneurs doing business in Turkey who are originally from the Western Thrace.

It took Greece four decades to declare the abolition of discriminatory measures and announce the equal treatment of minority members before the law, under the discourse of “legal equality–equal citizenship” in 1991 (Hoch and Abdurrahman, 2019). This was a turning point in the overall direction of economic and social rights, including the economic development of the region. Since then, the number of minority entrepreneurs has gradually increased. There are no available data on minority entrepreneurship since their registration is not compulsory to the Commerce and Industry Chambers. However, personal contacts with entrepreneurs show that there is not only an increase in minority entrepreneurship but also a change in business structure from individual initiative to corporate.

The minority entrepreneurships in Western Thrace vary from agricultural business to the construction industry, energy sector and catering services. Most minority firms in Western Thrace are small businesses with no more than ten employees. There is only one firm, called YAKA, occasionally employing around 30-40 employees, which has also managed to get a number of international rating certificates (Yaka.gr). The company was established in 2017 and operates, as most minority entrepreneurship do, on the economic fringe of the minority, despite it has started to expand its business to other regions of Greece. Such position overlaps with the common view that minority business entrepreneurship relies on social group resources for their development and expanding their business throughout economic fringe of the minority.

In addition to YAKA, during the last decade, small numbers of minority entrepreneurs have managed to expand their business by selling their products to some European Union member states and other regions of Greece despite the economic crisis. It should be noted that there is only one minority entrepreneurship (FAIKLER) which has been managed to survive through difficult years and now the third generations are in charge. Among the new entrepreneurships, about five of them have begun to export their products to Germany and Netherlands through minority members who were emigrated from Greece and these countries many years ago. It shows that the Western Thrace Turkish diaspora facilitate the business expansion of minority entrepreneurship. Also, there are some minority entrepreneurships were established in the

diaspora rather than in the region and they deal with the yacht business. Since all such business activities are so recent, obtaining any concrete data is not yet possible.

Firms jointly owned by the minority and majority community members are almost absent. Such a phenomenon represents the divided community structure that has existed in the region for decades, despite some positive changes can be seen in the recent years. The culture to work together in corporate base is still very weak within Turkish and Greek communities. Also, far right discourse, often purported by majority politicians, have a negative impact on the establishment of joint entrepreneurships. Recognition of the economic contribution made by minority entrepreneurship is absent, or at least very rare. For instance, Chamber websites neither include any additional information about minority contributions nor use Turkish as a second language in its website. Such practices demonstrate that minority entrepreneurship is not considered as a tool to establishment of peaceful and sustainable social and economic relations between minority and majority entrepreneurs.

Although their appearance in the regional economy is growing, minority owned firms lack the managerial, technical and educational competence that is needed to increase their own chances of survival and growth. Most firms are governed and managed by family members and do not hire any professionals. To cope with this, limited opportunities are available. In addition to initiatives taken by regional and central governments, Turkey as so-called 'kin-state' appears as a strong actor supporting minority entrepreneurs. Turkish economic organisations, such as Chambers, or exhibition organisers, regularly invite minority entrepreneurs to their activities and try to link them to other Turkish entrepreneurs.

## **Conclusion**

The official acknowledgment of past discrimination and the announcement of the equal treatment of minority members before the law, under the discourse of "legal equality–equal citizenship" in 1991 leads to the flourishing of minority entrepreneurship. Although the number of minority entrepreneurship has increased in recent years, they are weak in terms of managerial, technical, and educational competence needed to increase their chances of survival and growth. Considering the strategic location of the region, it seems that many opportunities lie ahead for minority entrepreneurship if they are provided some educational and managerial support.

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