

# PROBLEMS OF MARKETIZATION IN ROMANIA AND TURKEY

Russell W. Belk and Güliz Ger

---

## ABSTRACT

Based on depth interviews and questionnaire responses from Romanian and Turkish consumers and entrepreneurs, the dual effects of marketization on consumption and production are examined. This dual approach is taken because to consider only consumption or production in isolation from one another under such dramatic changes as marketization is to examine only half of an interrelated nexus. Results show that the two countries share some effects under marketization but differ on others due to the years of Communist ideology and practice in Romania, differences in cultural values, and differences in current levels of development and infrastructure. Based on these similarities and differences, Romania's future under marketization is likely to involve a long and painful period of adjustment.

Most previous examinations of the development of consumer desire and the its relationship to changing production and marketing strategies (e.g., McCracken 1988) have been historic analyses of Western Europe and the United States over the past several centuries. But the recent and sudden emergence of market economies in Central and Eastern Europe and Asia

---

Research in Consumer Behavior, Volume 7, pages 123-155.

Copyright © 1994 by JAI Press Inc.

All rights of reproduction in any form reserved.

ISBN: 1-55938-783-1

(following Communism for some and within Communism for others) and the more gradual recent emergence of free market economies in other developing nations, offer an opportunity to study the disruptions caused by these changes first hand. Toward this end, the present study examines consumers and entrepreneurs in Romania since its overthrow of Communism in late 1989, and in Turkey since its liberalization of its state-based market economy, to some extent in the 1950s, but especially in the 1980s. In some respects Turkey offers a chance to see marketization phenomena in a later stage of development than in Romania. However, the cultures, histories, and conditions of marketization in the two countries are sufficiently different that we do not expect Romania to replicate Turkey's experiences. By examining both countries we hoped instead to gain a more complete understanding of the consequences of marketization and to learn more about political, economic, historical and cultural factors that may shape these consequences.

Prior studies have also tended to look primarily at the consumer and large scale producer and have neglected the smaller entrepreneur who plays a key role in economic change even in the present global era. Both must respond to each other for a market-driven economy to work. Consumption and entrepreneurial experiences are necessarily related to one another, but in developing and marketizing economies this linkage may be more direct: what is not produced or offered for sale cannot be consumed. Problems on either side of such exchanges affect the other side. While adjustments to a free market economy may not seem difficult to those emerged in one, the extent of potential problems is clearer with an appreciation of the conditions that previously existed in the two countries studied.

Long lines and severe shortages of consumer goods are former facts of life that have abated in Turkey since its economic nadir in the 1970s, while they continue in Romania even since its revolutionary turn toward a market economy at the close of 1989. Although Turkey has never embraced Communism, it shares with Romania the tradition of statism, and liberalization and privatization begun almost as suddenly there during early 1980s as has occurred in Romania during the early 1990s. In both cases, the resulting abrupt changes in the organization and state of the economy have posed significant problems for producers as well as consumers. The present qualitative study presents the cases of these two countries separately and then offers some comparisons. We are most interested in the individual experiences of being a consumer or an entrepreneur in a marketizing economy. This analysis seeks to understand how the material well-being and satisfaction of Romanians and Turks have changed in the wake of this initial commercial onslaught. Furthermore, inasmuch as a consumption revolution demands a production revolution in order to create the wealth needed to sustain it, the present analysis examines how Romanian and Turkish capitalism and businesses have developed in this period.

## METHODS

The Romanian consumer data include 110 survey respondents, 73 depth interviews, 26 focus group participants, and a year of participant observation during 1991-1992. The survey respondents were the only ones drawn from a university student population. Focus groups were conducted in both urban and rural locations.<sup>1</sup> The Turkish consumer data involve 357 survey respondents, from university students in Ankara, Istanbul, Eskisehir and Trabzon, 24 focus group participants from a university student population in Ankara, and participant observation over several years. In addition, the entrepreneurial data involved depth interviews and participant observation with both small and large scale entrepreneurs. The entrepreneurs were in businesses shown in the Appendix. The Romanian businesses were located in various parts of Romania—Oltanea, Transylvania, Bucharest, and the Black Sea coast. In Turkey, the entrepreneurs were from Izmir and Ankara. For both consumers and entrepreneurs the variety of data collection methods employed were used to triangulate and enrich findings. Consumer survey data included measures of materialism and wish lists of desired possessions and services. Further descriptions of these methods can be found in Belk (1993), Belk and Paun (forthcoming), Ger and Belk (1993), and Ger, Belk, and Lascu (1993). While no attempt was made to obtain statistically representative samples from either country, there is no systematic difference evident in those providing the data in the two nations. The one exception is the small set of rural data in Romania which has no counterpart in the Turkish data.

## ROMANIA

### Background

Following World War II Romania entered a 45-year period of Communism and became part of Comecon, dealing primarily within the Communist bloc in foreign trade. It is an area of rich natural resources and was once known as the breadbasket of Eastern Europe. Following a period of rapid industrialization based on Western equipment in the early 1970s the country found itself with a massive foreign debt, and President Nicolae Ceausescu initiated a program of severe domestic austerity in order to export foods, fertilizers, fuels, and other commodities to the West and erase this debt. At a considerable cost to the people of Romania, this goal was accomplished in 1989 on the eve of Ceausescu's overthrow. As has been observed of the sudden collapse of Communism elsewhere in Europe (Kohák 1992, Kozminski 1992), the overthrow of Ceausescu had at least as much to do with consumer frustration as it did with any longing for democratic freedoms. As one observer noted:

I would like to call this the "Monroe Doctrine"—but I am referring to Marilyn Monroe. Capitalism wins because it is immensely attractive... The United States is winning the Cold War, and not because it won militarily (it lost in Vietnam), or even economically (it is becoming apparent that Japan and Germany did), but because it has produced an irresistible seductive culture of capitalism, the culture of full enjoyment of life, symbolized by Elvis Presley, Big Mac, Coca Cola, and Disneyland (Ostaszewski 1992, p. 229).

Indeed, since the revolution in December, 1989, Michael Jackson has staged a concert in Bucharest, Pepsi Cola and Coca Cola have led a commercial invasion of the West into Romania, and Dallas and Twin Peaks have become hits on Romania's national television station. While there was an underground fascination with Western goods among the young in pre-revolution Romania (Bar-Haïm 1987), there is now a large above ground clamoring for such symbols of the good life.

#### Conditions Before the Revolution

In spite of, or more accurately because of, grand consumer aspirations in Romania following the revolution, many of those interviewed complained that "Things were better under Communism." In order to appreciate this complaint it is useful to begin with a brief sketch of pre-revolution consumption and work patterns in Romania. At the peak of Communist prosperity in Romania in 1977, its per capita GNP was among the top 40 in the world (Nelson 1990). During that time the present informants recall that such subsequent luxuries as oranges and good cuts of meat were available and affordable. Liquor remained widely available, although many Romanians made their own plum brandy (Tsuica) and wine. However, the austerity measures introduced by Ceausescu soon resulted in severe shortages and rationing of everything from bread, flour, and sugar to gasoline, meat, heat, and hot water. At its worst, during the winter of 1985, Delia, an accountant who was then 21, remembers waiting in line 12 hours for meat and receiving only soup bones. Long lines and fruitless searches made using connections and paying bribes a near necessity. The human impact of such enforced austerity was captured by Drakulić (1991/1992, p. 31):

Look at us—we don't even look like women. There are no deodorants, perfumes, sometimes even no soap or toothpaste. There is no fine underwear, no panty hose, no nice lingerie. Worst of all, there are no sanitary napkins. What can one say except that it is humiliating?

For 36-year-old Claudia, a secretary who still cannot find sanitary napkins regularly, the worst degradation was bearing Ceausescu's "decree babies." In order to staff the new Romanian factories, under this decree women were required to have five children and were regularly inspected in the workplace to assure they had not had an abortion. Abortions were punishable by death

if the abortionist was not revealed. Birth control pills and condoms were outlawed. When Claudia's daughter was born eleven years ago, she insisted on a Caesarian birth, which reduced the number of children she was required to have to two. Both in the office inspections and in the hospital for her delivery, Claudia recalls, "We were treated just like animals." The stress was too much for her. Her marriage ended and she had a nervous breakdown. When she became pregnant by her former boss and current husband, she had a friend induce bleeding so she could get a legal abortion. When she became pregnant again, she risked an illegal abortion from her physician father, rather than have another child. Fortunately she was not caught.

Cars and televisions were available to the nomenclatura, but even factory directors had to wait months or years to get theirs. The cars were developed through Romanian plants producing outdated French models, while the televisions were produced from Soviet designs. The one television channel played for a few hours each day and presented mostly folk dances and folk songs as well as documentaries intended to inspire national pride and patriotism. Claudia's husband, 48-year-old Augustin, was able to buy both a car and a color television as a privilege of being the director of a factory. He was able to have the television modified with stolen parts that allow the set to receive the Yugoslavian and Bulgarian channels. The car was a new Romanian Dacia (based on a Renault 12) which cost the equivalent of three years wages. This they paid from savings plus five year loans to both himself and Claudia. Because of his position and his Communist party standing (membership was expected and necessary for all in positions of authority), he was also given a license plate with a low number which allowed him relative impunity from police and both the contempt and envy of those who lacked such privileges.

Full employment (with the exception of the Gypsy minority) was assured by Communist planning. In order to staff the newly developed industries village peasants were systematically moved to cities. Virtually all industry was state owned and much of the country's rich farmland was collectivized and turned into agricultural communes. Only the Gypsies and those farmers and sheep herders who were able to successfully resist collectivization were allowed to engage in entrepreneurial activity, and that was generally quite small scale (see Belk and Paun forthcoming). As elsewhere throughout Eastern Europe, the Soviet Union, and China, education included a substantial ideological component praising the virtues of the Communist state and condemning the evils of capitalism. At age 10 children got their Communist Pioneer pins and scarfs and began to go to pioneer camps where they learned patriotic folklore, songs, and values.

The apartment blocs built to house workers looked old before their time as poor quality paint faded, cave-like water and radiator temperatures were maintained, and hallway and elevator light bulbs were scavenged to replace

broken bulbs in apartments. Air, water, and soil pollution are extreme (Ionescu 1991). The train system, public parks, and city streets suffered similar neglect and abuse. Full employment policies assured that there would always be someone to sweep the littered sidewalks and streets, and this coupled with the state control of virtually all resources bred public apathy and indifference. In order to make the economy work, laborers were shifted from one place to another. A policy of "systemization" removed graduating students from their native cities and assigned them to a distant location. University students and professors were all taken to the fields for fall harvests and Army soldiers did maintenance on the rail system.

### Post-Revolution Romanian Consumption

In some respects the changes in Romania during the first three years after Communism have been dramatic. Foreign luxury goods such as cameras, cars, clothing, computers, candies, cigarettes, televisions, and liquor have become widely available (see Ger, Belk, and Lascu 1993). A few luxurious private restaurants have opened in the larger cities. In Timosoara, a city not far from the Hungarian border, two small supermarkets have opened, complete with shopping carts and boxes of milk from Hungary, packaged meats and jars of baby food from Czechoslovakia, and sanitary napkins and candy from the U.S.—all novelties to Romanians. Notably, much of the entrepreneurial activity underlying such changes is either foreign or, in the case of small scale vending, Gypsy (Belk and Paun forthcoming). A foreign joint venture with Italy has opened one of the new supermarkets in Timosoara, while Turks bring in cheap leather coats and clothing, and Lebanese and Syrians have opened restaurants in Bucharest.

Turkey and Serbia have opened their borders to Romanians as well. And foreign films and television programs are becoming common fare offering expanded visions of consumer lifestyles in the West. The foreign film invasion began during the Romanian revolution when a pirated copy of "E.T." was shown when the television station was commandeered by the National Salvation Front which succeeded Communism. Now small scale Romanian entrepreneurs rent videotapes brought in from Germany and the national Romanian television station shows two hours of music videos from Europe's Skychannel each day. But this same expansion of consumption possibilities has made the relative poverty of Romanians in the industrialized world palpable. Incomes have risen, but not as much as prices have inflated and far less than aspirations have escalated. One man in a focus group in a small village complained that,

Before we had nothing to buy from shops. Everywhere you could find the same products (if any were available in the market). Now there are so many goods there but no money to buy them.

Furthermore, shared poverty with privilege according to party rank has been replaced by increasing income inequalities and an economy in which anyone with money can buy previously unheard of luxuries. This helps explain the common nostalgic complaint that things were better under Communism. Furthermore, there are many aspects of consumption that have not changed since Communism. Merchandise in the predominant state stores has changed little. Long lines persist for rationed gasoline. Also still rationed are sugar, flour, hot water, and heat. Bread lines are seldom empty and milk lines start at 3:00 AM since supplies will be gone within an hour after opening at 5:00.

Meanwhile housing has become scarce and much higher in price (ten times the pre-revolution prices and climbing with prices freed). Once rapid state construction has virtually stopped, and there are still no general contractors in Romania to take over the state's function. Similar inflation has occurred in many product categories. Once fashion-conscious informants like Sorina (a 27-year-old student) have economized by buying no clothing since the revolution. Claudia sometimes buys cloth to have clothes made, but there is still a very limited variety of materials, colors, and patterns available. Others who can afford it have been quick to adopt the Turkish clothing that has become ubiquitous in new private shops that are often run by Gypsies. State service workers such as telephone repairpersons, postal clerks, and retail salespeople continue to treat customers with rude disdain. An informant in Bucharest, 30-year-old Silvestru, was unable to have his phone repaired without giving the repairman a bottle of vodka. The first author's requests to have his phone repaired in Craiova were ignored for four weeks until Sorina, the daughter of a former local Communist Party official, accompanied him to the telephone office. Two hours later the phone was fixed. Inefficiencies in the production and distribution systems have not been removed by capitalism. For example, city dwellers who keep pigs (a luxury) cannot obtain grain to feed them and must buy large quantities of bread to use as feed. And soldiers still repair railroad tracks.

Not only has there been an influx of foreign luxury goods in Romania, but foreign traders and tourists are beginning to appear as well. While such foreigners generally exacerbate the envy Romanians feel toward foreign consumption lifestyles, some are the subject of greater animosity than others. Due to Romania's history of conquest by Romans, various "barbarians," Ottomans, Hapsburgs, and Russians, merchants and visitors from countries like Turkey and Austria are the objects of popular envy and derision. Turkish men are also singularly disliked because of their prominent patronage of Romanian prostitutes, both in Romania and Turkey where many Romanian women have gone to earn money in prostitution.

Some of the items on wish lists we obtained from Romanian students were similar to those on wish lists of students elsewhere in Europe, as well as in the United States and Turkey, including cars, houses, stereos, and computers,

even though most of these goods were unimaginable before the revolution. But Romanians were unique in also including on their wish lists such items as water, soap, books, and cosmetics, all of which "basics" remain in short supply in Romania. The new found opportunities and desires to consume in Romania have also produced another type of shortage that is more perceptual: time. In the face of price inflation, currency devaluation, and general economic uncertainties, many Romanians are seeking opportunities to earn more money, as discussed below. Part-time moonlighting had taken the place of leisure activities for a number of informants. Furthermore, television and private bars are increasingly attractive ways of spending time. It is clear that this nexus of new consumption and earning opportunities has dramatically increased the pace of life and perceived time pressure for many Romanians. Stress is a word heard frequently now.

While many Romanian consumers argue that things were better under Communism, very few would jettison their new found consumption freedoms for their previous austerity. The questionnaires administered to university students included measures of materialism (Belk 1985; Ger and Belk 1990, 1993) which established these students as more materialistic than those in the dozen other countries sampled, including the United States, England, France, and Germany. As one man put it, paraphrasing a song by the pop group Queen that was then popular in Romania, "I want it now and I want it fast!"<sup>2</sup> Another suggested, "You are exactly like children. You see something different and you want it!" And another man believed that "Wealth is like a disease: the more you have the more you want." Now that some can afford luxuries which are available to anyone with money, there is also an increased sense of competitive expenditure. One villager noted that he feels the need to consume as others do and said he would feel "rusinea satului," or the shame of the village, if he couldn't keep up with neighbors. It is as if Pandora's box has been opened and no force will be able to put the consumption desire unleashed back inside. On this virtually all informants are agreed.

#### Problems for Romanian Consumers

Romanians, having seen their purchase power decline at the same time as previously unimaginable luxuries flood the market, are met with a growing sense of frustration. Consumption possibilities have exploded while real income has declined. One reaction is the push to entrepreneurship considered in the following section. Another reaction is increasing envy—not only of foreign consumer lifestyles, but of those wealthy Romanians who are able to enjoy the latest foreign luxuries. Zamoshkin (1991/1992) describes how similar envy has affected Russians:

Hence the labels "privateer," "bourgeois," "kulak," which were applied to those who owned cows and other livestock and anything that was not under the command of a state farm or collective farm as well as to those who owned cars, nice houses, and summer cottages. Leveling attitudes and promises of full equality of all that awaited us in the communist future reinforced these frames of mind... Actions violating the laws of possession, including acts of malicious vandalism were also no coincidence and, moreover, have recently been multiplying dangerously (pp. 73-74).

In Romania, as elsewhere in the former Soviet Bloc, it was the modest lifestyle of the peasant and factory worker that was heroized. Furthermore in Romania collective consumer sacrifice was imposed so goods could be exported to reduce the national foreign debt. In the words of one man, "We were all in the same situation, so it didn't seem like we were poor. Now everyone wants to be like J.R. (Ewing from TV's "Dallas")." While Romanian envy has not yet resulted in widespread vandalism, the potential is felt. Even before the revolution, those with cars commonly covered them with canvas when not in use and removed their windshield wipers when they parked them.

Another problem for Romanians is their innocence with regard to marketing tactics. Kosminski (1992) explains the potential dangers that arise from such innocence:

Sudden exposure to imports carries some risks... Consumers not previously exposed to Western goods, packaging, and persuasive advertizing might often be misled and tempted to buy low quality, even dangerous products, at high prices simply because they are imported. Domestic manufacturers and retailers, too, are beginning to market substandard or dangerous products and to advertise them more and more aggressively (p. 367).

While Romanian consumers are not naive children, trade laws for Romania are still emerging (Gray, Hanson, and Ianachkov 1992) and current consumer protections are weak. And there are some Romanian consumers who accept advertising appeals as truthful rather than as similar to former government propaganda. Delia saw a power paint roller advertized on a portion of Europe's Sky Channel shown on Romanian television and was ready to invest her family's life savings to obtain this device because it appeared to magically paint apartment walls and thereby offer an effortless way to become rich. Thirty-one-year old student Marilena who was able to live in the United States during 1992-1993, received a promotional letter from Publishers' Clearing House there and began to worry that the fortune that the letter convinced her she had won would be confiscated by Romanian authorities when she returned. Others were bewildered when they observed both Coca Cola and Pepsi Cola aggressively advertising that their brand was the one chosen by Westerners. Advertising was new enough, but such aggressive competitive advertising appeared confusingly wasteful and difficult to fathom. Even though the amount of advertising in Romania is still quite small by Western standards, many



Romanian university students see it as the key element in an "information explosion" and long for computers so that perhaps they can keep track of everything. A 21-year-old student, Elena explained:

I think I have a larger field of consumption. I have more but I want more now. I think I have a better life compared to my parents... I say also that my life is more complicated, stressed. It is an informational explosion I feel. And that is good, perhaps I cannot live without (these things), but this, more and more, stresses me often.

Another lingering problem for Romanian consumers is heightened by this information explosion: shopping. Because there are still ubiquitous lines for bread, milk, and gasoline, and because finding other needed goods is a constant treasure hunt, Romanians have developed a series of coping strategies (Belk 1993). One strategy is time brokering in which one friend stands in line A on behalf of both themselves and a friend, while the friend stands in line B for the two of them. Grandparents commonly rear grandchildren so that the parents of these children are freed to work and shop. Marilena was raised by her grandparents, Augustin's 21-year-old son is raised by his sister and brother-in-law, and Claudia's 11-year-old daughter lives with Claudia's mother. Such patterns are the rule rather than the exception in our data. It is also commonly the grandparents who get up at 3:00 or 4:00 AM to stand in milk lines which will sell out by dawn. And everywhere people go they are sure to take along shopping bags in case needed and affordable meat, produce, or eggs are encountered. Work places, though still generally overstaffed, are short-handed because everyone sneaks out for needed shopping. Guilt is assuaged because pay is also low. If one person sees another carrying toilet paper, bottles for wine making, or other rare goods, the bearer is besieged with demands to learn where the goods were obtained and at what price (something which had not varied under communism). The post-revolution increase in luxuries has thus far little affected the poor distribution and frequent unavailability of necessities. When such rare goods as feminine hygiene napkins, condoms, or birth control pills from Russia do become available, they are likely to be gone in days or hours and not appear in the same place again. Such is the uncertainty of daily consumer life in Romania.

#### Post-Revolution Romanian Entrepreneurship

According to one analysis, of all of the countries in Eastern Europe and the former Soviet Union, Romania has both the lowest economic development potential and the least readiness and ability to change (Kraljić 1990). Much of this negative evaluation is due to the inadequate and aging infrastructure in Romania. Part of it is due however to the traditionally lax work ethic in Romania, predating Communism (Rădulescu-Matruș 1937/1976). A common

Romanian expression under Communism was (and remains), "They pretend they're paying us, so we pretend we're working" (Kideckel 1988, p. 409). Radu, a 29-year-old mechanical engineer explained that before the revolution he was forced to work six ten-hour days a week. Out of that he says that each day he actually worked for perhaps five hours and either goofed off or shopped for hard to find goods the rest of the time. Following the revolution, he worked five eight-hour days a week and says that he actually worked about two hours a day. Democracy for many Romanians seems to mean never having to work again. The "stick" of punishment-oriented motivation is gone, but the "carrot" of reward-oriented motivation has not been implemented. Nor may it be possible or desirable to instill a strong work ethic in Romania. The exception may be for those who have become entrepreneurs—the one group which strongly disagrees with the conclusion that things were better under communism. These entrepreneurs offer some counterevidence to the lax work ethic thought to characterize Romania, although unlike Western entrepreneurs (Gray 1992), they appear to be motivated more by a desire for money than by a desire for independence and achievement.

Radu eventually began using some of his "work" hours to become a small-scale unofficial ("trunk") wholesaler. He drove about three hours from Craiova to Bucharest where he bought cigarettes, candies, and televisions on order for shop owners in Craiova. He began to accumulate capital from his distribution activity and eventually spent so little time at his job that he was fired (still a very rare occurrence in Romania). He engaged in his wholesaling full time and invested all of his capital in a stock of coffee that was quarantined by the government for its excessive moisture content. As the coffee began to decay it lost its value and he lost all of his capital. Radu is an example of many new small scale entrepreneurs in Romania. One Bucharest man (age 36) in a focus group exaggerated that "Everyone in Romania wants to start an enterprise (business)." Another man (21) attending university concluded that "Before the revolution a university teacher, though badly paid, was somebody. Now a university teacher without money is a fool!" The desire to make money to afford many consumer luxuries led many Romanians to become "suitcase sellers," traveling either to Serbia or Turkey and bringing merchandise to sell in these countries and buying other merchandise there that could be sold in Romania—an ancient trade pattern, but on a small part-time scale. The temptation is evident in frequent reports of earning a year's wages in a week or two through such trading. Radu and his wife made one such trip and earned enough to furnish their daughter's bedroom and buy an imported television. While most of these businesses were unregistered, by a year after the revolution 100,000 new businesses had been registered in Romania (Ben-Nur and Montias 1991). Most, however, were quite small and the average capital invested was less than US\$100 after Romanian currency devaluations.

The larger businesses begun in Romania were by those who had the capital, connections, and managerial know-how to bring it about—former nomenclatura of the Communist party and plant managers who engaged in buyouts, such as the glassware business studied. In other cases former heads of state enterprises left following the revolution to start their own competing businesses. This is the case with the three men who started the shipping company investigated. Their profits for 1991 were about US\$50,000, while the state enterprise's share of the market had dropped from 100 percent to about 20 percent. Similarly, the electronics firm, whose main product is an electronic protection device for large electric motors, began with an investment by the four principles of about US\$20 and now has over US\$50,000 in capital. As with this successful business, many spinoff businesses show evidence of creativity and technical ingenuity. For example, one new company took the seats designed for cars produced in a local automobile plant (producing a variant of a small Citroen) and used them to make office chairs. Even under Communism and without profit incentives, many innovative products have been invented in Eastern Europe, including soft contact lenses (Czechoslovakia), surgical stapling (USSR), liquid crystal technology (East Germany), and expert systems drug design software (Poland) (Kiser 1989). However, the marketing activities of the firms studied are still quite rudimentary. For instance, the electronic firm has a technically superior product to anything in the West and can sell it profitably for about one-fourth of the price of comparable Western equipment. But it is housed in a circuit box that looks sadly homemade. The owners realize this, but are at a loss to do anything about it and are seeking a Western partner who can produce or acquire a better housing for the device. The firm also lacks any knowledge of how to sell their product outside of Romania. Lacking marketing training, business experience, or role models whom they might emulate or turn to for advice, even such successful firms in Romania struggle to learn how to market their product.

Smaller scale entrepreneurs also lack marketing training and business experience. They are reminiscent of the fledgling entrepreneurs at American swap meets (Belk, Sherry, and Wallendorf 1988). The Romanian travel agency investigated was started by Silvestru, a geologist turned tour guide. He was joined, part time, by his sister (an MD) and a friend (a hydraulic engineer). The three are bright and energetic, but are floundering while looking for a viable focus for their business. Their travel agency was hampered by the Romanian airline's (Tarom's) unwillingness to give commissions or book tickets without the passenger's presence in their ticket office. The firm next tried standardized psychological testing, but found that Romanian businesses would rather have astrological forecasts. They explored stress management, marketing research, retailing, and advertising, and had yet to make enough money that the brother and sister could move out of their mother's apartment or that the sister could quit her job as a doctor. The fact that she and several

others studied wish to leave professions to start businesses suggests both the lure of money in the present Romanian economy and the state's former suspicion toward anyone who might be regarded as part of an elite intelligentsia. Doctors work long hard hours but earn less than coal miners.

#### Problems for Romanian Entrepreneurs

Some of the problems for post-revolution Romanian entrepreneurs are shared by entrepreneurs elsewhere in developing economies (see Ward, Reyes, and Borromeo 1992): lack of capital (exacerbated in Romania by average household savings of less than US\$35 and a still backward banking system), lack of information, copycat businesses lacking originality, corruption (especially endemic in Romania—Belk 1993), the poor image of locally produced goods (referred to as "refused for export" goods or "leavings from the factory floor"—Kideckel 1988), and government bureaucracy (exacerbated by situations such as the single notary public, needed to start any business, in a city of nearly half a million people). To set up a business in Romania requires these following time- and money-consuming steps (steps 1 and 3 apply only to foreign joint ventures):

1. Foreign joint ventures must get approval from the Romanian Agency for Development.
2. Contracts and statutes are drawn up specifying the business(es) in which approval is sought.
3. Foreign joint ventures must get official translations of the contract.
4. A public notary must approve the contracts and statutes.
5. The business applies for a judicial decision authorizing its formation from district court.
6. The district court obtains a recommendation from the Chamber of Commerce based on "moral character" of applicants.
7. After court authorization, the judicial decision is published in the Official Gazette.
8. The company must be officially registered in the Registry of Companies.
9. The company registers with fiscal authorities.
10. The company gets an official stamp and ink pad to use on all of its transactions in buying and selling (see Gray, Hanson, and Ianachkov 1992).

Visiting the one notary public in the city of Craiova (population over 450,000) requires leaving a shopping bag of bribes (*mita*) in order to get the needed seal of authority. Some businesses have started up just to facilitate the completion of these steps.

Other problems are more unique to Romania or Eastern Europe. These problems include a lack of knowledge due to lack of prior exposure to capitalism or business education, and uncertainty about the future political and economic system in Romania. Another problem is an ingrained tendency toward followership and conformity in Romania (Drazin 1992; Rădulescu-Matrus 1937/1976). While education has been liberalized in Western Europe in recent years, Romanian students still stand when an instructor enters the room and fear questioning, much less challenging, the teacher. Under the years of Communism, people also learned that the safest way to avoid government scrutiny and the envy of neighbors who might report them to the government was to keep a low profile. The lack of consumer luxury goods made it both easier to keep such a low profile and easier for those who did not want to be noticed. This tendency toward keeping a low profile clearly opposes development of the traits marking successful entrepreneurs (at least in the West), such as daring, risk-taking, and rebellion against bureaucracy (Wärnerud 1988). A related problem is the learned helplessness (e.g., Thornton and Jacobs 1971) wrought by 45 years of government-provided jobs, food, clothing, and shelter. Drakulić (1991/1992) describes the feeling of powerlessness and initiative-defeating lack of control that Communist systems engendered:

To say [the general dilapidated condition is due to] the poor quality of the paint under socialism is correct, but it is not enough. To say it's soft-coal exploitation and air pollution, bad gasoline and bad cars, or lack of money—again that would be correct. But not the whole story. All these reasons (and probably more) are not enough to explain the decrepitude. I think the reason is in us. The cities have been killed by our decades of indifference, by the conviction that somebody else—the government, the party, those "above"—is in charge of it, not us. How can it be us, if we are not in charge of our own lives? ...people rudely, carelessly, mindlessly throw away newspapers and plastic bags, cigarette boxes, bottles, umbrellas, old shoes, even old refrigerators...using the whole pavement, the flowerbeds, and the street as a huge garbage can, assuming that that famous "someone" will take care of it again (p. 164).

In Romania cigarettes, cigarette packages, and sunflower seed shells are now joined in the streets by candy bar wrappers, broken glass, and soft drink cans. And each morning an army of women with brooms emerge to clean the streets for another day. Excessive bureaucracy, rude clerks, overworked doctors, and overly suspicious police all reinforce such feelings of helplessness on a daily basis.

Although small scale entrepreneurs in the West are most commonly motivated by a desire for independence (Gray 1992), a great many Romanian would-be entrepreneurs are stymied by a fear of independence. For instance, Delia, a bright former journalist, took her present job as an accountant after exploring two entrepreneurial opportunities, because she said the risk of failure

was too great. Many entrepreneurs kept their "day jobs" less because they needed the small wages received than because a job was seen as a source of security in a rapidly changing environment. The lack of role models makes risk-taking in starting a business doubly frightening. Sometimes fledgling entrepreneurs can also be taken advantage of by others with more business knowledge. Silvestru was impressed by the computer on the desk of a supposed expediting company and paid them to obtain his travel business license, only to learn that the computer was merely a prop and that the agency could do nothing to speed the process of setting up a business.

Another unique problem is the lingering anti-market mentality that pervades Romania. Business people are commonly referred to, and even refer to themselves, as "mafia." Nor does it help that the lowly esteemed Gypsies have long been associated with private business and continue to dominate small scale street and open-air market vending. Told of the potential profits in trade, Delia responded, "What do you expect me to do? Sell on the street like a Gypsy?"

Profit earned from wholesale and retail trade in particular is considered immoral. Visible wealth is assumed to have resulted from crime of some sort. Students who were asked to describe someone with wealth in Romania almost inevitably brought up criminal activity as the likely source of the wealth. Private property still implies theft. And getting something accomplished is assumed to be due to having good connections. Similar patterns have been detected in the former Soviet Union (Nelson, Babaeva, and Babaev 1992, Zamoshkin 1991/1992). After 45 years of anti-market Communist education and propaganda, it is to be expected that these ingrained lessons are hard to forget. The desire for Western goods is one thing, but Western business practices are both far less visible and far less admired.

## TURKEY

### Background

Turkey has a high economic growth rate, mostly driven by exports. Its GNP per capita growth is 33rd, GNP per capita is 43rd, and industry as a percent of GDP is 19th in world rankings (Austin 1990). Although until 1994 the economy was doing much better than that of Romania, it has not been devoid of problems, such as high inflation, unemployment, high levels of imports, along with a budget deficit, very unequal income distribution, and huge differences between life in urban (60 percent) and rural populations (Ger 1992). And, the rank of Turkey in the world with respect to quality of life (54th based on education and health) is lower than its rank with respect to economic indicators (Austin 1990).

After the Ottoman Empire, the secular republic (1923) undertook major infrastructure developments, embarked on industrialization and education



programs, and issued laws to change the culture: it converted the alphabet from Arabic to Roman script, established a dress code (Western attire), banned all religious organizations, and granted voting and many other rights to women. Yet, Turkey had a closed sociocultural environment, and the economy was protected. Initial industrialization was mostly based on state-owned enterprises, especially until the 1950s. Although two major waves of new business start-ups occurred during 1920s and 1950s, private businesses were protected and regulated. During late 1950s and early 1960s the media and primary schools had campaigns exhorting Turks to "use Turkish products." The single-party regime prevailed until 1950, followed by a multiple-party "democracy" with three military interruptions in 1960, 1972 and 1980. The late 1970s were characterized by economic downturn, social and political unrest, shortages, and long lines—very similar to the current conditions in Romania.

Recent economic improvements in Turkey are generally attributed to the policies of the 1980s. Since 1983, Turkey has been going through a transition from state controlled capitalism to a privatized and liberalized market economy, and is increasingly opening itself to the world socioculturally. Yet, many state-owned enterprises, subsidies, and regulations prevail. Some privatization occurs *de facto*: although legally only the state television channels (now six, up from one in 1985) can do broadcasts, now there are also six private channels (since 1990), with studios in Turkish cities, broadcasting all over Turkey from antennas outside the borders.

Although basic foods and textiles (in this country of embroideries and rugs) have always been plentiful, most consumer products were not, until early 1980s. Today, there is an abundance of foreign and domestic brands and products. However, the novel abundance is more slanted toward luxury or upscale products (many of which are foreign) than toward the basics (Ger 1992). For example, while shops with Dior sunglasses, Dupont pens, and Cartier watches flourish, and there is a TV in almost every house, many rural houses don't have plumbing and only 10 percent of the milk sold is hygienically processed and packaged. BMWs are parked in front of apartment buildings where there is hot running water only three days a week. And, although consumption increased (Ger, Belk and Lascu 1993) private consumption expenditures are still much lower than those of the West and those of the other 22 industrialized economies among which Turkey is placed (World Economic Forum 1992).

Progress has been equated with Westernization so much that the official goal of the 1950s was to become a "small America." Turkey is a mix of East and West: it appears as a Western country if one approaches from the East and an Eastern country if one approaches from the West. Yet many Turks, just like Romanians, are fascinated with the West and Western products which symbolize the good life. The large Ottoman administration network and culture carried over to the current mentality of the "Father State": strong state control and reliance of the public on the state. Until very recently, to be a civil servant

(bureaucrat) was the most prestigious occupation; most professionals worked for state enterprises and offices. Doctors and teachers are still centrally assigned to schools and state hospitals in different towns across the nation, and move to larger cities when they are promoted. The conflicts between the tradition of a strong state versus the aim to democratize and liberalize, and between patriotism and pride in heritage versus a ceaseless admiration for the West, set the context for the current consumption and entrepreneurship experiences. Both the tradition of statism, and the fascination with the West and Western products set a background similar to that of Romania. Furthermore, having once been closed societies also created similar settings in the two countries.

### Turkish Consumption in the Past Decade

Products unthinkable prior to 1983, anything from luxury cars, Dunhill lighters, Nike Air sport shoes, and Chicago Cubs bomber jackets to soft drinks are now suddenly and widely available for those who can afford them. Open-air markets where the cornucopia of inexpensive goods leaves barely enough room to walk around or under them makes an Azerbaijani tourist exclaim "This is heaven!" with widely opened eyes. A 12-year-old American girl from a small U.S. town who was spending a year in Ankara said when asked what she likes most in the city and what she finds most different: "There are (in Ankara) many more shops close by and things to buy."

This abundance is in contrast with the days when the affluent went to Europe to buy things, so much so that a new phrase was introduced into the language: suitcase tourism. A 23-year-old student revealed that his most special possession, which he still keeps is a pair of basketball shoes his uncle had brought him from Europe when he was 10. He remembers how scarce they were, and his friends' reactions. Many people recall that they acquired new clothes only twice a year, for the religious holidays—"bayram." And the clothes were usually hand sewn or knit. However, now comments such as "We don't have to go to Europe to shop anymore," and "Where can I find or borrow money to buy all these things?" are frequently heard among the urban middle-aged affluent, and the urban poor, respectively. A cleaning lady, Yeter, 38-year-old wife of a factory worker narrated that her teenager son showed her, with great excitement, a pair of sports shoes in a shop window that he has been looking at for weeks and asked her when they can buy them. When she said they cannot afford them, he sighed and sulked, and both were quiet for some time. "Then, he said to me 'Oh well, don't worry mom, maybe we can buy them next month,' and tried to reduce both his and my stress." Yeter has a number of appliances including a small stereo set, a color TV and a washing machine at home, and is planning to buy an automatic one at the first opportunity. Yeter's sister lives in a village, with her retired husband who used to be a construction worker, in a three bedroom house with no plumbing. The

toilet is outside, and they carry water inside with large containers. She owns a color TV, stereo set, refrigerator, vacuum cleaner, and an electric butter-maker. A hair dresser who is employed in a small shop in a nice neighborhood, and who recently married reported that "my husband and I have been working very hard but thank God, we are very happy with our accomplishments—installments on all the appliances, including a 'fritöz' (an electric frying pot, not a Turkish word), are about to be completed."

The activities that underlie the product availability and accessibility are undertaken by both large and small businesses, including street vendors and suitcase traders. Banks now offer "consumer credit," and one of the advertisement depicts a young couple deciding not to get married because they don't have the money to buy appliances, furniture and a car. But once they hear that they can get consumer credit, they rush and buy these things and get married. Door-to-door selling of kitchenware and linen is common, consistent with Ottoman sales patterns. But it has been extended to factories and offices such that Yeter's husband bought illegally imported foreign tea, in this country of tea, as a treat for his family (only to find a bag of weeds when he opened it at home), and a bicycle for his son from the "salespeople" (fellow workers or their relatives) who come to sell their goods to the factory. When Turkish workers employed in Europe make home visits, they bring a variety of products, including electronics, and sell them in their village, in factories, on the streets from the trunk of their cars, and so forth. There is a lot of Western influence on Turkish businesses as well as the consumers; and this goes beyond licensing, joint ventures, foreign investment, importing, and imitation or adaptation. Grocery stores are now called "market," with signs furnished by Coca Cola, Pepsi Cola or Marlboro. Many stores have foreign or foreign sounding names. When a new clothing store opens, they advertise that they carry Levi's. A major upscale clothing firm employs Italian designers. Pharmacies which used to sell only medicine, now also carry imported cosmetics, perfumes, and toys, which comprise the majority of their revenues.

All informants agreed that compared to the past they see more and want more—attractive kitchenware, sweaters or luxuries, even if they don't need them. Yeter revealed that although she has tea cups at home she was enticed by a set she saw on display, and felt she had to have it. She said she plans to buy the set next month when the installments of the pans she bought are all paid. A 25-year-old female student remarked that, "I walk past stores, see something in the window I like, and I want it. There were not so many things before, not such nice things. . . Teenagers buy more than we used to, but of course so much more is available now." A 24-year-old male student said that, "I go shopping frequently just to see what's out. There are new products everyday. Newer products are better. So, I want new products." Similarly, a 24-year-old male student said, "I usually go window shopping, not aiming to buy anything, just to look around. If I see something I like, a pair of socks,

a shirt, I buy it even though I don't need it. I may need it later, or an extra one won't hurt." These comments suggest that the availability, novelty, and variety of products and displays stimulate consumer desires.

Not only desires, but also shopping, talking about, and displaying products seem to have been prompted (Ger, Belk and Lascu 1993). Respondents considered shopping to be fun, therapeutic, and necessary in order not to be left behind or left out. Some "...want others to talk about her and what she bought." A young man said, "I like buying something new. I want something new and more constantly; when I buy it, I lose interest." Shopping appears to be as popular as socializing, the traditional pastime, or watching television. Friends go shopping or window shopping together, and combine shopping with socializing. Other recreational activities (e.g., sports, which are exercised by the upscale) are not a part of the mainstream popular culture, but shopping is. So are displays of, and conversations about products—especially the high status brands and the gadgets or appliances acquired recently. A not-too-surprising sight in social gatherings is a man turning over the others' ties to look at the label or showing his own. Sitki, a middle-aged artisan, who lives and makes ceramics in a small town but exhibits and sells in many cities finds this new ostentation repulsive. He talks of the days when his parents did not wear their good clothes in public (except when they went to Istanbul), and therefore did not make their friends and neighbors ashamed and envious. But he admits that his son and daughter are also captivated by shopping, consumption, and display that he despises.

Consumer desires are fueled by the mushrooming domestic and foreign print and broadcast media, tourists in greater numbers than ever, Turkish workers in Europe who make return visits to their villages, and the new, previously rural class of "nouveau riche" (see Ger, Belk and Lascu 1993), who are highly visible due to residential patterns and media. Media not only provide a glimpse into consumer lifestyles, but also furnish news on what brands and products are "in" and "out." Furthermore, newspapers compete by giving out "gifts" or prizes such as cars and electronics. And, the most popular TV programs, in addition to video clips of foreign, and more recently Turkish popular music singers, and American soaps, are game shows such as "Wheel of Fortune," and other shows where the audience calls in to answer a question and win a prize, usually cars and electronics. As Holbrook (1993) has found in the United States, such shows provide exercises in acquisitiveness and materialism.

Although many informants acknowledged that they like to shop and buy, and mentioned that "everyone else does too," they sometimes referred to other peoples' consumption as "unconscious." One student described that his mother "spends unconsciously, and likes to have a good time and a good life." The respondents, including Sitki's family, see consumption as accompanying progress, and as normal and modern. Modernity is viewed to be fashion and fashion consciousness is foremost in this country where conformity is

important. Many consumers in an age group dress alike, with Levi's, cowboy boots, Ray Ban glasses, Samsonite handbags—whatever is "in." Ironically, as respondents seem to consume to fit in (as many said, "because everyone else buys these things, my friends buy"), and as many count on friends' choices and brand names to guide their selections, they also enjoy the new found opportunity and task to choose what they buy. Some expressed that, "...it is not the product that is important, it is buying that's important," or "[the] enjoy[ment in] making a decision while buying something." In contrast to the traditionally authoritarian control of the family, school, work organization, and the state, there is perceived freedom in consumption.

Although not as much as Romanians, Turkish students were also found to be highly materialistic (Ger and Belk 1993). The percent of Turkish students who consider a car to be necessary was found to be greater than the percent who see hot running water as a necessity. Many Turkish student wish lists even included a plane and a boat (see Ger, Belk and Lascu 1993). A professor friend of the second author reported, in surprise, that when he asked his university graphics students to draw symbols of the ten most important things, most took out a bill and started drawing that, and the other common sketches were of cars and stereo sets.

Informants, especially when they refer to other people, indicate that buying brand names, "in" products, and new products are seen to bring prestige or improve a person's image in a social circle. Advertisements of a large variety of product categories mention the word "prestige." The oldest children's toys and outfits store, which once had the best reputation for quality (Turkish made, durable, washable goods at a good price) in Ankara lost customers because its merchandise was no longer perceived to be prestigious. It had to go down to a single store from three, and is shrinking further in size because most consumers explicitly demand brand names and fashionable designs. Most status brands are foreign. A student remarked that even though her mother is a loyal and very satisfied customer of Arçelik (a Turkish brand of appliances), she expressed that, "I would prefer Bosch if I could afford it, because foreign products are better." Foreign products are perceived not only to signal quality but also symbolize the West, which implies advancement, contemporariness, and the good life to many. Especially the urbanites appear to emulate or assimilate imagined Western consumption patterns (and in fact some consume much more lavishly than most affluent Westerners) in order to feel modern and Western (see Ger 1992). For example, the young upscale urbanites eat at McDonalds, drink whisky at the "English Pub," dance to techno music at a disco called Twenty's, go to a Sting concert, dress in Levi's and Reeboks, wear Dior's Dune, and drive German or Japanese cars. Downscale urbanites eat candy bars with foreign-sounding names, Pancho chips and Algida ice cream, drink Coke or Pepsi, wear jeans, and T-shirts on which something in English is written. And the

rural and the newly urban inhabitants imitate the urbanites, and many argue that, "what is good for them is good for me too."

These are the popular and mostly, but not uniquely, urban trends, and they are diffusing quickly in this country facing rapid urbanization and sudden exposure to the world. But some—urban poor and residents in remote villages, cannot be a part of these trends they are exposed to. And some find these trends distasteful or crass, and adopt a more elite, frugal or bohemian lifestyle. Some intergenerational differences are observed, as with the new generation that would rather spend its vacation traveling with an organized tour whereas their parents strive to buy a summer house. Although the older generation sometimes laments that people were not so crazy about consumption in their days, they add that times have changed, and people see so many things that it cannot be like the old times. Sitk1 said, "consumption is unavoidable." Also, as the quality of Turkish products improve, as novelty wears off, and consumers become more experienced and knowledgeable, the initial passion for some foreign brands (e.g., Marlboro, McDonalds, Pizza Hut) seems to recede to some extent, and is replaced by Turkish products or less famous brands. Many new restaurants that advertise their Turkish menus (as opposed to foreign) are opening, and Turkish cigarettes are making a comeback. Similar patterns are emerging in home decoration, architectural restoration projects, and popular music. Generally, a renewed appreciation of the Ottoman culture seems to be emerging and is even beginning to influence Western cultural institutions. For example, Turkish music is beginning to influence jazz.

#### Problems for Turkish Consumers

The sudden exposure to abundance coupled with severe inequalities in income distribution, in a society where 25 percent are illiterate, and in the absence of consumer education and protection, creates some problems for individual and societal well-being (Ger 1992). While the affluent few have become avid consumers, they pay very high prices (higher than in the West for many comparable products) and do not always get good quality products. The less privileged majority does not get the best value their money can buy either, or cannot afford many of the things they see and want. As exposure to the consumption possibilities increases, and as their expectations and desires rise while their purchasing power declines with inflation and high prices, the deprivation felt, relative to the West and the affluent is intensified. One reaction to heightened perceived relative deprivation, similar to Romania, is the push to entrepreneurship discussed in the next section. Another reaction, again similar to Romania, is the feelings of frustration, anger, helplessness, apathy, and envy. The stress Yeter mentioned is an example at a minor scale. The frustration, anger, and envy may well be related to the growth in social unrest, ethnic strife, religious backlash, and crime. Some youngsters allegedly join

activist religious groups making promises of money, jewelry, and other goods. Due to the popular imitative effort to consume modern Western products, the demand for and supply of some of the authentic, unique, and distinctive local or natural products and artifacts has declined or disappeared. Touristic resorts replace fields of aromatic bananas, and less tasty bananas are imported.

Although not as inexperienced and innocent as the Romanian consumers, many Turks still seem to face confusion regarding how to judge quality, how to acquire product information, and how to assess alternatives. Comments such as, "There are so many alternatives now. I don't know how to choose, it is difficult to tell which are better" were frequently heard. Lacking a sound basis for evaluating quality and buying because something is available or "in," appear to be related to a naïve trust in the new and the foreign, and unrealistically high expectations that lead to dissatisfaction and regret. Only very recently have complaining and returning unsatisfactory products become conceivable, and have been making an increasing impact. Retail convenience and service are usually less than satisfactory. For example, consumers have to wait for the service people for durables to come when they please, not at a time convenient for the consumer. Or, they get no after-sale service or parts when many new firms, especially importers, go out of business, or change lines. And, when serviced, many products are not serviced well and hence have a short life. Most foreign products sold in open-air spot markets don't have guarantees or brochures in Turkish which explain how the product should be used, so the consumers underutilize or misuse these products. Many uneducated consumers don't ask for, or are not aware of the presence of guarantees. Lack of mechanisms for effective and efficient regulation of quality, and a large range of prices for seemingly similar or identical products, do not help some consumers being overcharged, and/or ending up with unsatisfactorily performing or dangerous products. For example, as many new businesses spring up, not all are controlled, and especially the smaller food production facilities are not always hygienic. To deal with such confusion and to reduce perceived risk, many consumers buy what their friends buy. But, purchasing due to conformity to social pressure can also lead to regret when the purchased products are not needed or used. Thus informants chide themselves for buying products like VCRs that simply gather dust in their homes.

A final problem is the confusion about priorities that also tends to emerge in other developing countries when the poorer and uneducated consumers have to make major compromises (Ger 1992; Ger and Belk 1990). A mother sells the milk of her cow to buy her child candy while depriving him of milk. Another person may spend her money on a flimsy fashion item, yet go without a warm coat in the chill of the winter. While running after token symbols of prosperity some cut back on nutrition, health, and education-related expenses and impair their health.

Hence, the new joy of consumption found by some Turkish consumers is neither widespread nor without undesirable consequences. Ostensible progress and problems, with similar and different elements compared to Romanians, seem to proceed apace in the accelerating marketized Turkish economy.

### Turkish Entrepreneurship in the Past Decade

The new opportunities from the transition to a liberalized market economy ("It's hard as an entrepreneur in Europe, but it's wide open here," said one informant), and the diminished prestige and deteriorated conditions of jobs in the public sector, have led to many new businesses (and many bankruptcies) as well as new lines of business, especially in import-export and in services such as restaurants and tourism. Many students indicated that they want to set up their own firms, and pointed to prominent business people who "made it" as their role models. And there are numerous ex-engineers or architects who run bars, cafes, hotels, or shops. Usually, family and friends help raise at least part of the capital for these new businesses. Urbanization, inflation, and unemployment seem to have contributed to this entrepreneurial trend—particularly in the case of some very small scale and unregistered businesses. Sometimes the business is a second job (as in Romania) or a retirement job: suitcase trade, finding cars parking places or washing cars for tips, driving taxis, following the paperwork in some government office, knitting or sewing at home at a piece rate for firms, or making and selling decorative items.

Many go into the family business, or start up their own business in the same line as their previous work experience. In such cases there is a carryover of know-how and experience. Some establish their own firm because they crave independence ("I wanted to be my own boss"), and a few because they have a dream or passion. Bülent, a 30-year-old man with a very modest rural background, is now the successful owner of a continuously expanding restaurant chain (pizza and other Italian food), because he had a dream: to establish the best pizzeria. He decided not to submit to his father's wish that he take a "prestigious" job—be a civil servant in the public sector, after a summer encounter with a pizzeria. He worked in the pizzeria when he was 15, and that experience made "pizza" a symbol of modernity and upward mobility for him:

As I walked through the blue door of the pizzeria, which was in an old Greek house, to look for a summer job, I knew this was a different world, and I felt that this would be a different world for me. It was a beautiful antique door opening to a courtyard that overlooked the sea. There was a very peaceful, calming ambiance. The boss and his circle of friends changed a lot of things for me. They were very good people, had a human approach and treated me as a human being. [But] At the camp [a company resort where he worked the previous summer] they woke us up by banging on the door with a big stick. People are bad. I felt that if I became a civil servant my bosses would treat me like that too. But not here.



Consumption desire, envy, and aspiration to move up the social scale also contribute to the boom in new startups. Similar to the Romanian entrepreneurs, some businesses are motivated less by a need for achievement and independence, and more by the desire for money, usually escalated by the consumption desire. Running a firm is sometimes seen as a means to consumption, that is, the "good life." Most owners of small and mid-sized firms were found to be interested in consumption almost as business goals (İslamoğlu 1992). Şükrü, a 49-year-old paper factory owner, voiced his material desires for himself and his children. He said: "I'll step down (from the firm) in a few years. I'll use the money to live the good life, that's what it's all about." However, the desire to consume sometimes induces the demise of businesses. Nur, a 39-year-old female entrepreneur emphasized the value of not overspending, and thinking of work rather than spending. She cited an example of a business that collapsed because owners overspent.

The traditional family-run business in Turkey offers financial support and experience, and also provides social benefits such as having a friendly and familiar business environment, feeling comfortable, and being able to be personal. Such feelings often carry over to suppliers and customers as well. As a 42-year-old businessman reflected:

The cotton world is very small and conservative. Everyone knows everyone else and this results in security. No one is given the opportunity to cheat twice. Competitors share similar mentalities. To be in the business you must visit the villages to see cotton crops and stay with locals. These people depend on cotton for their livelihoods and you must make them feel comfortable and show that you share a similar mentality.

The interpersonal dimension is very strong in Turkish entrepreneurship. All respondents agreed that connections and social relations with suppliers, employees, customers, and other constituents are important: "Social aspects are a part of the work, the human dimension is important;" "[An entrepreneur is] a guy solving human problems. He must network and know lots of people." Personal relations and connections expedite finding credit or solving bureaucratic problems. Social relations with personnel, suppliers, and customers, or business friendships reduce risk. Merchant hospitality builds trust and smoothes future interactions, reduces competition, prevents cheating, and lessens bargaining. Furthermore, there is an element of "giving" that provides satisfaction to some, as a 45-year-old man who owns an antique shop stated, "I like to sell things I like to people I like." Similarly, Bülent took pride "...that people like what I offer", and the paternalistic Şükrü boasted, "I take care of 100 employees."

However, Nur lamented that, "...personal relationships are important, unfortunately." She saw the social dimension as a hindrance to efficiency, and longed for more "professional" relationships, where the impersonal relations

dominate. She was also candid that family control, where business is seen as "our own" by elders, can interfere: "Firms are ruled according to the wishes of their owners/elders, 'a la Turca' (derogatory term, implying outdated); [this] makes things complicated."

The younger entrepreneurs who started their own business expressed different dimensions concerning things they liked about their business: being the first, doing something big or different, doing the best:

Burak (Male, 25): "to be an internationally known businessman, like Olivetti. Play globally... winning wars with the bureaucracy, being the first Turkish firm in..."

Nur: "I like being the first woman dealing with huge trucks at customs clearance, publishing the first industry (transportation) magazine, doing what others consider crazy. I strive for creating the best. Not money. But when you do the best, money comes automatically. I enjoy when I create something. The outcome makes me feel fulfilled."

Bülent: "I like to do things no one else does, enter fields no one else dares to; I like risk. I like to think about things very few people can. I know there's a lot of money in other lines of business, but these don't attract me. I like the whole of the pizza business... to expand in the food business, in all of Turkey, globally competitively."

Articulating such ambition is not proper or typical in the traditional Turkish culture. Some businesspeople, the older ones, or the ones carrying on with their father's firms are less ambitious, unless the family firm is already a major corporation.

In addition to ambition, the entrepreneurs studied also varied in terms of the entrepreneurial qualities of innovativeness, risk taking, taking initiative and proactiveness (Morris and Lewis 1991). Yet, all were persistent, committed, emphasized the role of honesty in success, and acknowledged the role of a supportive or influential person in their success. Although for some starting a firm is a means to move upscale or to enjoy greater consumption, the educated professionals studied still questioned the prestige of running a business and needed to justify it by the benefits (e.g., high status, social or cultural good) he or she produces for others.

#### Problems for Turkish Entrepreneurs

Some of the problems faced by Turkish entrepreneurs are shared with other developing countries (see Ward, Reyes, and Borromeo 1992), including Romania. For example, to set up a business in Turkey also requires 10 steps—10 time- and nerve-consuming steps. The most pronounced issues in Turkey seem to be related to government bureaucracy, involvement, and support, and the general political-economic-legal environment. The 60-year-old head of a big holding company (one of the major corporations in Turkey) reminisced



over his bitter experiences in the past and commented that "any business that does not have government backing cannot be successful. The government must provide an umbrella, an investment-oriented environment." Uncertainty and instability in policies, lack of full liberalization, governmental/political favoritism, and governmental support of foreign firms are the major complaints.

Our observations and informants' lamentations indicate that another crucial problem area is human problems: uneducated, untrained, incompetent labor. Although there is a relatively good infrastructure and strong work ethic in Turkey, compared to Romania, low education levels make human resource management and high productivity problematic, and may induce dysfunctional or dangerous work practices, such as resisting wearing protective masks. The successful firms are the ones that invest heavily in labor development through providing general education, health education, as well as skills training. Şükrü furnishes an ongoing evening program of different modules for the employees in his paper factory. Furthermore, even the larger firms are not impersonal institutions, and rely more on interpersonal than professional relations. This may be a humanizing benefit, but it can also result in inefficiencies. Although most businesses still give priority to personal experience and interpersonal relations rather than information, knowledge, professional management, and systematic strategic decision making, things are changing in response to the increasingly global competition involving Turkey and international markets.

Raw (or other) material availability, backwardness of commercial life, and, as one informant emphasized, "money, money, money" are other problems shared with Romania, but are apt to be less critical in Turkey. There are many who think "money only makes it easier to succeed but is not a critical necessity like other success factors. It is a resource like any other. (You) may or may not find it. First, you must believe in that business, the concept is the most important." This comment points to the importance of a particular state of mind and an attitude, which are related to cultural factors. There is widespread belief that rather than focusing on and believing in what one can do, envy in Turkey manifests itself by an attempt to hurt others (as reflected in evil eye beliefs). Nur believed that "here [in Turkey] doing something good or creating something is 'bad;' people push you down, make you slip and fall, whereas in USA there's lots of support for someone with potential." Furthermore, several respondents lamented that the recent emphasis on "making it [money] quickly" has influenced what businesspeople produce or make available. Nur commented that, "the society has degenerated, values have been watered down, no one sponsors anything of substance. The people with money [new rich] don't have the ability or desire to do things we dream of [e.g., magazines and TV programs with social/cultural/educational content, rather than plain entertainment]."

Similarly, informants' responses indicate that although risk taking is high, innovativeness and initiative/proactiveness are lacking in most businesspeople. Conformity and followership may be enhanced, and innovativeness and proactiveness may be inhibited by the traditional Turkish virtues of "... obedience, courage, loyalty—the classic values of the Ottoman Imperium reincarnate in the Ataturk Republic" (Lerner 1958, p. 23). Yet, the same values may foster commitment, persistence, a relatively strong work ethic, and risk taking, all of which are important for entrepreneurial success. Although the culture has been changing immensely, a base of traditional values remains, and the word ambition is still a nasty term. The older generation misses the "friendly" business environment and friendly relations with suppliers, competitors, and distributors, and sees the new competition to be almost immoral. Some family businesses provide a continuation of authority, conformity, and followership. So, learned helplessness, conformity, and followership may be based on the values of obedience and loyalty, the tradition of a strong state, and the compliance-oriented education system in Turkey, while the same properties are consequences of a communist history in Romania.

Not all "entrepreneurial" qualities are necessary for monetary success; money is also made by Machiavellian opportunism and cleverness rather than innovativeness. A great deal of creativity and cleverness is observed in some of the smaller ventures, yet many are very transitory. And there are many copycat businesses. However, those entrepreneurs who enhance individual and societal welfare and the democratization of consumption tend to be the more innovative and less opportunistic ones (Ger 1992). This is consistent with Nur's complaint that "no one sponsors anything of substance." Although probably much less than in Romania, there is a traditionally negative image of business. The emphasis on honesty and the concerns about the prestige of running a business that some respondents voiced may be reactions to this lingering image. Although this image is reversing rapidly, it is still something innovative, responsible and honest businesspeople face, and are influenced by. So is corruption itself. Burak explained in detail how he wins over the corruption by honest but extremely time-consuming means. Furthermore, as some entrepreneurs were aware, the negative image of, and lack of confidence in domestic products, partially due to the fascination with Western products, but also due to current or past lack of quality and reliability pose a problem for entrepreneurs who provide quality products and services.

Hence, stability in the economic/political/policy environment, government bureaucracy, education and training, professional management, and innovativeness and proactiveness, as well as perceptions about products and business practices are major issues affecting the success of Turkish entrepreneurs. In addition, success factors appear to involve capital and liquidity constraints, and availability of information, different versions of which are also shared by Romanian entrepreneurs.

## COMPARISONS AND CONCLUSIONS

Consumption desires are presently very high and escalating in both countries, along with an emulation of the perceived images of the West symbolizing the good life. While Romanians tend to "want everything"—that is, whatever is available—Turks are starting to discriminate, although prestige goods and emulation of others' consumption are still significant. While there are multiple reasons for the differences found between the two cultures, 45 years of anti-market Communist ideology have left a legacy in Romania that is making the transition to capitalism difficult for both entrepreneurs and consumers. Other relatively unique differences in the two nations include more severe constraints from the inadequate infrastructure, lack of business education, and an outdated banking system in Romania, the continuing rationing and shortages of staples in that country, the lack of business role models there, and the stronger role of family businesses and envy as well as lower literacy levels in Turkey. There is currently much greater consumer innocence, confusion, frustration, and uncertainty in Romania than in Turkey. The confusion in Turkey pertains to alternative evaluation, price inflation, and priorities, whereas in Romania it is about finding necessities at all. And, dealing with the frustration of not being able to afford the explosion of luxuries is more crucial in Romania than in Turkey. In Turkey luxury and inequality have been around for a longer time and a tradition of private property exists. For entrepreneurs, government bureaucracy, uncertainty about the future political and economic conditions, conformity, and learned helplessness are also shared problems, although they appear to be less severe in Turkey where instability and uncertainty are not new. Conformity is declining and risk-taking increasing in Turkey more rapidly than in Romania. And Turkey is more fully integrated into the global economy than is Romania.

In light of the multiple economic, cultural, ideological, and historical causes of the differences in the two countries' entrepreneurial and consumption patterns, it is extremely speculative to use Turkey to forecast the future of Romania under marketization. Nevertheless, the longer experience with marketization in Turkey suggests that the current problems in Romania may not all disappear with more time, experience, and development. Consumer shortages should decline and the necessity for nearly constant vigilance, bribes, and time taken from work for shopping should also decrease. But consumers will still need to deal with the confusion engendered by the explosion of information, consumption choices, and advertising, and the potential for marketplace deception. They will still need to deal with the envy of others and the feelings of relative deprivation compared to the affluent and the West. And they will only overcome their fascination with foreign goods slowly, if at all. Alternatives to the fascination with Western and Japanese luxury goods in both countries also depend upon the development of high quality low price domestic

goods as well as greater national pride in such locally produced goods. It seems likely that in the increasingly global economy, for these goods to be more respected abroad, they must also become more respected at home. This is not a change that necessarily occurs instantaneously.

The Turkish experience suggests that when entrepreneurs and consumers behave as they do in an increasingly globalized environment with a fascination for the West, a vacuum created by the disruption of the old order, marketization sometimes interpreted as "anything goes," and a lingering bureaucracy, the consumption opportunities that emerge are more geared to the affluent few than widespread, consumption styles more emulative than original, and products more imitative than innovative. These patterns do not help consumer frustration, envy and confusion, or development of globally respected products that increase national pride and entrepreneurs' confidence. For the businesses, the dominance of the money motive over achievement and independence, or a desire to "make a quick buck" is not prone to dissipate where social mobility is a recently increasing possibility, and where status through consumption is now competing with social position which was more important under the former system of statism (or communism in Romania). Confidence, honesty, responsibility, proactiveness, and innovativeness will not be easy to develop given a history of reliance on state rather than self, and the conformity and indifference that such reliance breeds. Entrepreneurial tendencies toward innovativeness, risk taking, and proactiveness are not so much innate as they are environmentally determined, but entrepreneurship is also more than a response to the environment—it represents a kind of institutionalized social change (Morris and Lewis 1991). Problems faced by Turkish entrepreneurs support this view and indicate that this change is apt to take time.

The problems currently faced by Romanian entrepreneurs help assure that locally produced consumer goods will not soon be widely produced and accepted by the market. The work ethic in Romania remains a significant production problem. The lack of capital invites foreign investment, but weakens Romanian entrepreneurial opportunities. Changes in business education, especially at the deep level of core economic ideology, may require a generation to "take." And the lingering effects of Communist anti-market teachings, which has no counterpart in Turkey, may well continue for a comparable period of time.

If a production revolution must accompany a consumption revolution, it seems fair to say that the two are better synchronized in Turkey. This may be because the changes there were more gradual and the production revolution in particular did not need to be quite as much a revolution as an evolution. In Romania, contrary to the experience of Turkey in the past decade and the experiences of the West during its industrial revolutions, the consumption revolution has occurred first (especially in consumption desires), and the production revolution is lagging. However desirable or undesirable it may

be, it is likely to take at least as long to marketize the Romanian economy as it took to demarketize it. And that marketized economy, or the one in Turkey, along with the experiences of consumers and entrepreneurs in it, is apt to be very different than the "free market economy" as is known in Western countries where it developed much more gradually and in a less globalized context than in the current marketizing countries, or in other developing countries without a prior tradition of a strong state.

## APPENDIX: ENTREPRENEURIAL BUSINESSES STUDIED

### Romania:

#### Service/Retail

1. Travel, Standardized Testing, and Business Facilitator (New Start; Partnership)
2. Painting (New Start; Sole Owner; Not Registered)
3. Bar/Discotheque (Lease; Joint Venture with a Dutchman)
4. Bar/Discotheque (New Start; Partnership)
5. "Suitcase Traders" (New Starts; Sole Owners; Not Registered)

#### Distribution/Wholesale

1. "Trunk Wholesaler" (New Start; Sole Proprietorship)
2. Import/Export (New Start; Joint Venture with Two Americans)
3. Shipping Company (New Start; Partnership)<sup>3</sup>

#### Agriculture

1. Small Farmer (Surviving Remnant of Family Brandy Distillery, Restaurant, Farm)
2. Peasant Farmers (Surviving Sustenance Farms With Limited Cash Cropping)

#### Manufacturing

1. Glassware (Management Buyout; Sole Proprietorship)
2. Electronics (New Start; Partnership)
3. Satellite Dishes (New Start; Sole Owner; Not Registered)
4. Office Chairs (New Start; Partnership)
5. Book Publishing (New Start; Sole Proprietorship)

### Turkey

#### Service/Retail

1. Restaurant chain (New Start; Partnership)

2. Antique shop (New Start; Sole Proprietorship)
3. Antiques, auctions, cultural activities, and adult courses (Father's Business, Sole Proprietorship)
4. Toy and children's clothes shop (Family Business; Partnership)
5. Manufacture, rent, service, sell boats and parts (New start, Sole Proprietorship)

#### Distribution/Wholesale

1. Import/Export of medical and security equipment (Father's Business; Sole Proprietorship)
2. Export of herbs (Family Business; Partnership)
3. Export of agricultural products (Family Business; Partnership)
4. Agricultural production and export of agricultural products and textiles (Family Business; Partnership)
5. International transportation and publication (New Start; Partnership)
6. Toy wholesaler (New Start; Partnership)

#### Manufacturing

1. Paper products (New Start; Sole Proprietorship)
2. Holding company in dairy and other food and drink products, and chemicals (Family Business; Partnership)
3. Pharmaceuticals and grooming products (Family Business; Partnership)
4. Bleach (Father's Business; Partnership)

## ACKNOWLEDGMENT

The authors thank three anonymous reviewers for their helpful comments.

## NOTES

1. We are grateful to Paul Isiou for conducting these focus groups.
2. Western music, along with other elements of Western popular culture, played some part in the Romanian Revolution as they did with the collapse of the former Soviet Union (e.g., Dobrotvorskaja 1992).
3. Case data courtesy of Elizabeth Henson.

## REFERENCES

- Austin E. J. (1990), *Managing in Developing Countries: Strategic Analysis and Operating Techniques*, New York: The Free Press.
- Bar-Haim, G. (1987), "The Meaning of Western Commercial Artifacts for Eastern European Youth," *Journal of Contemporary Ethnography*, 16 (July), 205-226.

- Belk, R. W. (1985), "Materialism: Trait Aspects of Living in the Material World," *Journal of Consumer Research*, 12 (December), 265-279.
- Belk, R. W. (1993), "Daily Consumer Life in Romania," working paper, Salt Lake City, UT: David Eccles School of Business, University of Utah.
- Belk, R. W. and M. Paun (forthcoming), "Ethnicity and Consumption in Romania," in *Marketing and Ethnicity: The Impact of Cultural Identity on Marketing and Consumption*, Janeen Costa and Gary Bamossy, eds., Newbury Park, CA: Sage.
- Belk, R. W., J. F. Sherry, Jr., and M. Wallendorf (1988), "A Naturalistic Inquiry into Buyer and Seller Behavior at a Swap Meet," *Journal of Consumer Research*, 14 (March), 449-470.
- Ben-Ner, A. and J. M. Montias (1991), "The Introduction of Markets in a Hypercentralized Economy: The Case of Romania," *Journal of Economic Perspectives*, 5 (Fall), 163-170.
- Dobrovorskaia, E. (1992), "Soviet Teens of the 1970s: Rock Generation, Rock Refusal, Rock Context," *Journal of Popular Culture*, 26 (Winter), 145-150.
- Drakulić, S. (1991/1992), *How We Survived Communism and Even Laughed*, New York: Norton.
- Drazin, A. (1992), "Changing Appearances: Clothes, Self-Preservation and Self-Awareness in Suceava, a Romanian City," unpublished thesis, Department of Anthropology, University College of London.
- Ger, G. (1992) "The Positive and Negative Effects of Marketing on Socioeconomic Development: The Turkish Case," *Journal of Consumer Policy*, 15, 229-254.
- Ger, G. and R. W. Belk (1990), "Measuring and Comparing Materialism Cross-Culturally," *Advances in Consumer Research*, Vol. 17, G. Gorn, M. Goldberg, and Richard Pollay, eds., Provo, UT: Association for Consumer Research, 186-192.
- Ger, G. and R. W. Belk (1993), "Cross-Cultural Differences in Materialism," working paper, David Eccles School of Business, University of Utah, Salt Lake City, UT 84112.
- Ger, G., R. W. Belk, and Dana-Nicoleta Lascu (1993), "The Development of Consumer Desire in Marketizing and Developing Economies: The Cases of Romania and Turkey," *Advances in Consumer Research*, Vol. 20, L. McAlister and M. L. Rothschild, eds., Provo, UT: Association for Consumer Research, 102-106.
- Gray, C. W., R. J. Hanson, and P. G. Ianachkov (1992), "Romania's Evolving Legal Framework for Private Sector Development," working paper, World Bank, March, WPS 872.
- Gray, C. (1992), "Entrepreneurial Motivation and the Smaller Business," in *New Directions in Economic Psychology: Theory, Experiment and Application*, Stephen E. G. Lea, Paul Webley, and Brian M. Young, eds., London: Edward Elgar, 214-242.
- Holbrook, M. B. (1993), *Daytime Television Game Shows and the Celebration of Merchandise: The Price is Right*, Bowling Green, OH: Bowling Green State University Popular Press.
- Ionescu, D. (1991), "Romania: The A to Z of the Most Polluted Areas," *Report on Eastern Europe*, May 10, 20-25.
- İslamoğlu, A. H. (1992) "Küçük İşletmelerin Toplumsal Özellikleri ve Sorunları," (Properties and Problems of Small Firms), *Pazarlama Dünyası*, Vol. 6. No. 33, 4-10.
- Kideckel, D. A. (1988), "Economic Images and Social Change in the Romanian Socialist Transformation," *Dialectical Anthropology*, 12, 399-411.
- Kiser, J. W. III (1989), *Communist Entrepreneurs: Unknown Innovators in the Global Economy*, New York: Watts.
- Kohák, E. (1992), "Ashes, Ashes... Central Europe After Forty Years," *Daedalus*, 121 (Spring), 197-215.
- Kozminski, A. K. (1992), "Consumers in Transition From the Centrally Planned Economy to the Market Economy," *Journal of Consumer Policy*, 14 (4), 351-369.
- Kraljić, P. (1990), "The Economic Gap Separating East and West," *Columbia Journal of World Business*, (Winter), 37-41.
- Lerner, D. (1958), *The Passing of Traditional Society*, New York: The Free Press.

- McCracken, G. (1988), *Culture and Consumption: New Approaches to the Symbolic Character of Consumer Goods and Activities*, Bloomington, IN: Indiana University Press.
- Morris, M. H. and P. S. Lewis (1991), Entrepreneurship as a Significant Factor in Societal Quality of Life, *Journal of Business Research*, 23 (1), 21-36.
- Nelson, D. (1990), "The Romanian Disaster," *Research on the Soviet Union and Eastern Europe*, 1, A. Jones, ed., Greenwich, CT: JAI Press, 83-111.
- Nelson, L. D., L. V. Babaeva, and R. O. Babaev (1992), "Perspectives on Entrepreneurship and Privatization in Russia: Policy and Public Opinion," *Slavic Review*, 51 (Summer), 271-286.
- Ostaszewski, K. (1992), "The Boldest Social Experiment of the Twentieth Century," in *The Market Solution to Economic Development in Eastern Europe*, R. W. McGee, ed., Lewiston, Wales, UK: Lampeter, 223-244.
- Rădulescu-Matrus, C. (1937/1976), "The Psychology of the Romanian People," *Romanian Sources*, 2 (1) 3-14, originally in *Revista de Filosofie*, 22 (April-June).
- Thornton, J. W. and P. D. Jacobs (1971), "Learned Helplessness in Human Subjects," *Journal of Experimental Psychology*, 87, 369-372.
- Ward, S., A. Reyes, and H. M. Borromeo, Jr. (1992), "Growing Developing Enterprises in Less-Developed Countries: A Philippine Case Study," *Asian Journal of Marketing*, 1, 59-75.
- Wärneryd, K.-E. (1988), "The Psychology of Innovative Entrepreneurship," in *Handbook of Economic Psychology*, W. F. van Raaij, G. M. van Veldhoven, and K.-E. Wärneryd, eds., Dordrecht, NL: Kluwer Academic Publishers, 404-447.
- World Economic Forum (1992) *The World Competitiveness Report*, 1992.
- Zamoshkin, I. A. (1991/1992), "Private Life, Private Interest, Private Property," *Russian Studies in Philosophy*, 31 (Summer), 49-86, originally "Chastnaia Zhizn', Chastnyi Interes, Chastnaia Sobstvennost'," *Voprosy Filosofii*, 1, 3-15, 2, 3-12.