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The cross-fertilization of cultures through entrepreneurial action: the Berlin case

Abstract

In this article we are searching for the concrete merging points of cultural understandings by means of diverse dimensions in markets. We use the context of transnational entrepreneurship, strengthened by rapid growing globalisation and cosmopolitanism, as a meta-theory where individuals define themselves through a new identity ready to embrace the other – different but the same.

Keywords: *Cross-fertilisation, transnational entrepreneurship, cosmopolitanism, case study, Berlin*

> Many of them will build a new life in Germany, will take root and visit their country of origin just as guests. Theodor Marquand, 1966, Manager of German Communications Bureau, Istanbul

Introduction

We have been experiencing a decade in which the constructed life of the citizen via the national state departed, predominantly in favour of an individual socialisation process as the walls fell down and the borders disappeared – at least, on the maps. Reflections of this individual socialisation are very strong in the phenomenon of entrepreneurship. Entrepreneurs, surfing on the waves of an environment characterised by continuous and discontinuous change, try to make the best of it through recognising opportunities, enhancing and implementing change in the markets by means of innovation and also seeking to influence the change coming afterwards.

Entrepreneurship takes on a more special meaning if we talk about 'immigrants'. Seen as a way of economic independency, the manifestation of a certain identity with customs and sometimes with regards to specific groups as target populations, this is a natural way of integration which occurs on the market, through commercial exchange processes between owners and with employees, customers, suppliers and the state and within umbrella corporations. It is these exchange processes which create value in an economy and which are the main focal point of this paper, on the basis of data obtained from entrepreneurs from among the largest immigrant group in Germany: three generations of people of Turkish descent and of native origin.

Turkish immigrants in Germany

Beginning as a migration of labour based on a two-year limited contract signed in 1961 between the states of Turkey and Germany[1] due to workforce shortages, the transfer of Turkish immigrants as guest workers lasted until 1973, which led to a boom in the German economy.[2] During this period, 865 000 Turkish guest workers were invited to Germany, approximately 200 000 of whom had received an additional invitation prepared in their names by German employers – i.e. those who had already attended technical vocational schools in Turkey.[3]

The Federal German Employers Corporation (BDA, *Bundesvereinigung der Deutschen Arbeitgeberverbände*) published a special report on 12 December 1962 drawing the attention of the government to the need for the extension of the work permits of Turkish guest workers.[4] Subsequently, from the situation of a very restricted work relationship, a more serious contract could be signed in 1964, again following pressure from the German producers. With this extended agreement, Turkish guest workers could also receive similar rights for work permits, residency permits and special conditions for their families which had already been given to other workers from Spain, Italy, Portugal and Greece.

Guest workers who had initially left behind their families, mostly their children, began to take their family members, especially young ones, to Germany for fear of losing them in political street battles due to the terror environment surrounding Turkey in the 70s. Just before the military intervention in 1980, thousands of children and adolescents (between the ages of 7 and 17), who had been living with a relative, especially grandmothers in small villages, were brought to Germany.[5] After the military intervention in Turkey, politically exiled and refugees of Kurdish descent began to look for a new *Heimat* – home – in Germany (between 1974 and 1983, 1 150 000 people with Turkish citizenship arrived in Germany), while the number of returnees reached 986 000.[6]

Guest workers from other countries, like Italy, Portugal and Greece, left Germany after observing an economic improvement in their countries of origin in the 80s – as a result of the support received from the European Economic Community, namely the 'common market' – but Turkish guest workers remained in Germany as Turkey had

1 German firms had already begun to sign private contracts before 1960, searching for a workforce on their own in Turkish rural areas. The first 1 000 immigrant female workers between the ages of 19-25, selected from weaving workshops in the inner Aegean, western Anatolia, on the basis of their small/flexible hands, had been invited on a one-year limited contract. They brought with them a notable performance to the production line of a German producer in Berlin, opening the gate for greater interest in the Turkish labour force (expert interview, July 2009, Berlin, Germany).

2 Verbal Nota Agreement.

3 Eryilmaz, A (2002) *Almanya'da 40 yil, yaban sila olur* Konferenzbeitrag (DOMID – Dokumentationszentrum und Museum über die Migration in Deutschland), Istanbul.

4 BDA claimed that there were two reasons behind this extension: the negative influence of possible rotation; and the extraordinary performance of the Turkish labour force, found in *ibid*.

5 Expert interview, April 2008, Essen, Germany.

6 Eryilmaz, A. *op. cit*.

taken a very different socio-economic course than the way of life they had known years previously. Some of them, who had attained a very good economic and social level, nevertheless left Germany in the 1983-1985 period, signing an agreement with the government stating that they would give up all their rights, accordingly in return for their accumulated social savings, and permanently leave Germany.[7]

Today, immigrants from Turkey and their children are building the largest immigrant community in Germany, but the economic course in Germany was also a very new one from the second half of the 80s and especially after unification, when production in Germany moved mostly to eastern countries – and also to Turkey – where costs could be kept at basic levels. Thus began a dramatic rise in unemployment which led to migrant workers entering a state of passive resignation[8] due to shame at having lost their jobs, having to depend on the state[9] and with no clue to their future either in Germany or in Turkey. They began to live in small communities and tried to create and maintain an 'emotionally secure' space where they collectively regenerated rules and boundaries – based mostly on the traditional way of life in small villages that they had brought from their country of origin.[10]

In the following years, immigration through 'arranged marriages' strengthened both the ties within the community and served to deal the regenerated world outside the mainstream societies of Germany and Turkey with sharpened boundaries – especially for immigrant women serving as the warriors of regenerated living conditions – and even sanctions.[11]

Today, around three million people with a migratory background have their roots in Turkey. Some examples of immigrant entrepreneurship based on the opportunities occurring in the structural holes between the two countries[12] has proved to be successful also in creating new markets, e.g. ÖGER, while the trauma of unemployment has been the push factor towards self-employment in service-dominant sectors, like gastronomy, cleaning and in the ethnic economy, based on the resources and the needs of the community and manifesting an independency from state transfer services. By the same token, the children of guest workers have moved to the open markets in a silent way, with non-recognisable entrepreneurial identities; most have German state membership and do not appear in the statistics carried out by the government on the basis of their Turkish descent. Furthermore, cross-community entrepreneurships have taken place:

7 This phenomenon is known as *setting the rights on fire* among returnee guest workers in Turkey (expert interview, April 2008, Marxloh/Duisburg, Germany).

8 Jahoda, M, Paul Felix Lazarsfeld and Hans Zeisel (1975) *Die Arbeitslosen von Marienthal. Ein soziologischer Versuch über die Wirkungen langandauernder Arbeitslosigkeit* Suhrkamp Verlag, Auflage 22.

9 This was a totally new situation, as they had very limited relations with the state, which was mostly based on distance and fear, and were formerly quite autonomous in Turkey (expert interview, November 2007, Kreuzberg/Berlin, Germany).

10 Bourdieu, P (1997) *Outline of a Theory of Practice* New York: Cambridge University Press.

11 Moller Okin, S (1999) *Is multiculturalism bad for women?* Princeton University Press.

12 Burt, R (2005) *Brokerage and Closure: An Introduction to Social Capital* Oxford University Press.

entrepreneurs of Turkish descent, especially from Netherlands and France, have come to Germany to found businesses.[13]

Germany is prepared to welcome new intellectual capital from diverse countries, and the experience gained through the period of 'living together' for about fifty years is surely relevant: the children of the Turkish guest workers – having already reached the fourth generation – are not guests anymore but hosts who are expected to take care of newcomers and play an important role in the internationalisation policy of Germany.

Searching for clues to the mutual influences that we define as cross-fertilisation in the entrepreneurial experience, this article aims to work on the imaginary borders we have built up as a result of our process of socialisation in different social contexts. Can entrepreneurial action in the markets, where diverse cultures, generations and mentalities survive, exist together and interact with each other, contribute towards an opening up of the borders and an encouragement to us all for a better way of 'living together'?

Cross-fertilisation in the market

Transnational entrepreneurship

It makes sense first to define the boundaries of the context in which we will work before proceeding with our study, namely: transnational entrepreneurship (TE). The meaning of immigration has changed, with 3 % of the global population having had an immigration experience, of which 10 % live in developed countries,[14] so entrepreneurship scholars have worked on the issues of ethnic entrepreneurship, immigrant entrepreneurship and international entrepreneurship/business to develop a more convergent and up-to-date approach to this phenomenon, encompassing the most critical sociological and anthropological perspectives. According to the new institutional framework which has been developed,[15] TE is considered to include those entrepreneurial activities which are carried out in a cross-national context and realised by actors who are members of at least two different social and economic spheres. This allows them to be active in the critical global relationships that enhance their ability creatively, dynamically and logistically to maximise their resource base. They are in a unique position to identify and exploit opportunities, which is also strongly supported by the 'structural holes' perspective of social capital.[16]

It would not be inappropriate to propose that a changing understanding of international migration and diasporas has paved the way for the increasing relevance of transnationalism and TE. Global communications and travel facilities, and the existence of heterogeneous populations in many formerly mono-cultural cities and countries welcoming entrepreneurship and providing support, have also been of great relevance and have significantly influenced the development of social networks on different levels, as well as the sharing of information and the creation of new markets.

13 Expert interview, November 2007, Kreuzberg/Berlin, Germany.
14 Riddle, L (2008) 'Diasporas: Exploring their development potential' *ESR Review* 10(2): 28-36.
15 *ibid.*
16 Burt, R *op. cit.*

According to the sociologists,[17] TE can be viewed within the framework of the integration and socio-economic adaptation of immigrants at the individual level; or otherwise, at the collective level, in terms of the social structure and network relationships of immigrant communities.[18] Influence on certain industries, integration into mainstream institutional frameworks,[19] motivation to move to the open market and the tendency to become a transnational entrepreneur[20] have also been points of attention. All these aspects have been analysed with qualitative vs. quantitative methods, as if they were distinct causal variables of the entrepreneurial phenomenon at a multicultural level in a fragmented way.

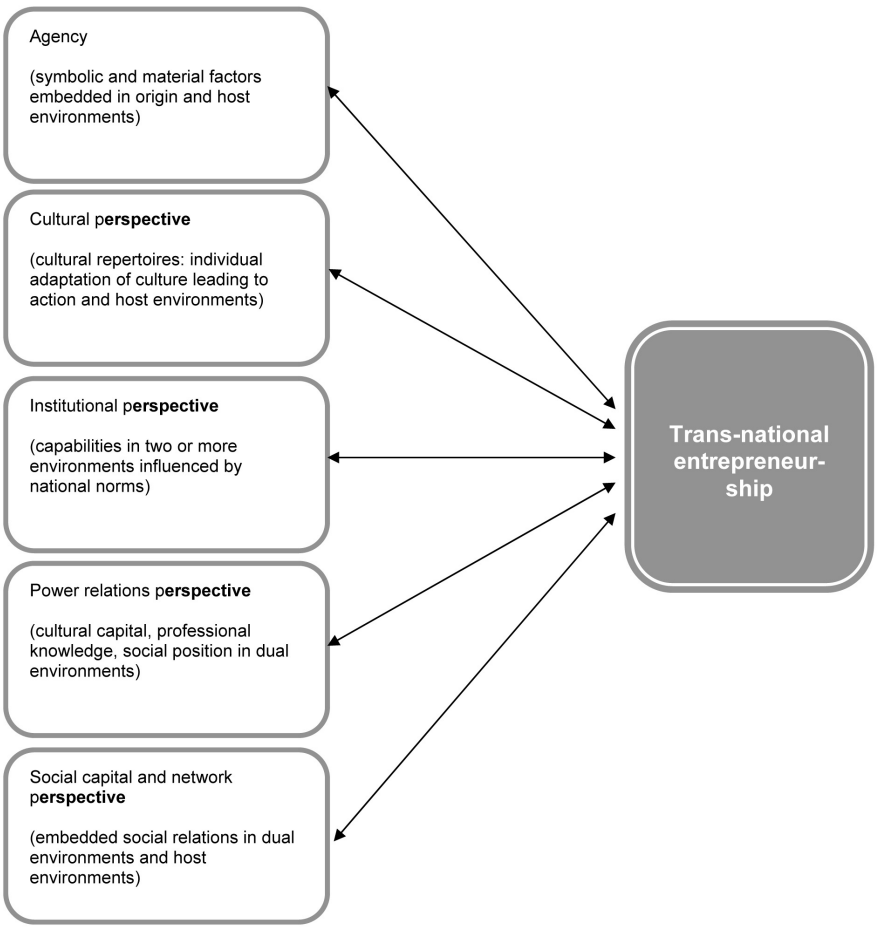
According to this convergent institutional framework (see Figure 1):

> TE consists of individual entrepreneurs who leverage opportunities that arise from their dual fields and networks, optimizing resources where they may be most effective.[21]

TE differs from ethnic entrepreneurship as it occurs at the international level. The result is that the entrepreneur's *cosmopolitan* way of life delivers the necessary context for recognising the opportunities, and offers distinct advantages for transnational enterprises.

17 Light and Gold, 2000; Morawska, 2005; Portes and Jensen, 1989; all found in I. Drori, Beson Honig and Mike Wright (2009) 'Transnational Entrepreneurship' *Entrepreneurship Theory & Practice* 33(5): 1001-1022.
18 Light and Gold, 2000, *ibid.*
19 Light and Bonacich, 1988, *ibid.*
20 Portes 1995, *ibid*.
21 *ibid.*

Figure 1 – Factors influencing transnational entrepreneurship and their outcomes



Source: Israel Drori, Benson Honig and Mike Wright (2009) 'Transnational Entrepreneurship' Entrepreneurship Theory & Practice 28(3): 1013.

Cosmopolitanism

> It is vital to perceive others as different and as the same – something that is ruled out by both hierarchical ordering and universal equality. Whatever is strange should be regarded and evaluated not as a threat, as something that brings disintegration and fragmentation in its train, but as **enriching** in the first place[22]

22 Beck and Grande, 2007, p. 44; found in F. Pichler (2008) 'How Real is Cosmopolitanism in Europe?' *Sociology* 42(3).

Global interactions between diverse populations have paved the way for economic integration; political co-operation; amalgamations of arts, music and taste; media coverage; mass tourism; and communications technologies.[23] Combining the Greek words *cosmos* (universe) and *polis* (city), cosmopolitanism is the ideology that all ethnic groups belong to a singl*e* community, based on a shared overall comprehension of moral mentality. Diogenes of Sinope, the father of cosmopolitanism, defined himself in c. 412BC as 'a citizen of the world'.[24] The stoics conceptualised his ideal of a world citizenship, among whom Hierocles delivered a remarkable model of identity, stating that a person should regard himself as a concentric circle: the first circle is the human mind; next comes the immediate family; followed by the extended family; and then the local community; then comes the community of neighbouring towns; followed by his or her country; and, finally, the entire human race.[25] The tasks of all world citizens are defined as to draw the circles in towards the centre, making all human beings a part of their concern.[26]

With contributions from scholars like Kant, Derrida and Levinas, different perspectives of cosmopolitanism have emerged.[27] Merton distinguished cosmopolitans from people who are exclusively embedded in their local surroundings yet possess a certain feeling of being an integral part of the world.[28]

Scholars have also made many attempts to theorise the implications behind globalisation for the organisation and reconstruction of social and cultural life: Beck argues that:

> Cosmopolitanism is no longer a dream but has become a social reality, however distorted, which has to be explored.[29]

Weenink brings the criticism that cosmopolitanism is also seen as a form of cultural and social capital, rather than feelings of global connectedness or curiosity in the other.[30]

TE delivers the basis for different cultures not only to exist together but also to interact with each other, through various amalgamations in business concepts and market memberships. Immigrants from Turkey have not only brought a national culture with them, but also many ethnicities and various forms of collective action which exist in Asia Minor. On the one hand, this makes them more flexible and collective; on the

23 *ibid.*
24 Diogenes Laertius (1925) *The Lives of Eminent Philosophers* Vol. II, Loeb Classical Library.
25 Beck, U (2006) *The Cosmopolitan Vision* Cambridge: Polity Press, p. 45.
26 Nussbaum, M. C (1997) 'Kant and Stoic Cosmopolitanism' *The Journal of Political Philosophy* 5(1): 1-25.
27 Pichler, F *op. cit.*
28 Merton (1964) [1949], found in *ibid.*
29 Beck, U., *ibid*, p. 44.
30 Weenink, D (2008) 'Cosmopolitanism as a Form of Capital: Parents Preparing their Children for a Globalizing World' *Sociology* 42: 1089-1106.

other, it has allowed the emergence of sub-communities within the community on the basis of strong kinship ties.[31]

A certain tourism effect – in other words, the *Antalya effect* – should also be mentioned in this cross-fertilisation; for instance, German natives who have spent their holidays in Turkey, and who then began to look for the taste of Turkish food in Berlin, have thus supported the emergence of Turkish restaurants/kiosks on the open market of Berlin.[32]

The concern of this article is to observe, present and model examples of mutual influence in market practice from among the all-embracing phenomenon of the entrepreneurs of Berlin who have experience of migration – either direct and inherited.[33]

Empirical study

Based on data collected in 2008/2009 in seven different German cities, through interviews with native and immigrant entrepreneurs and experts reflecting both self-views and views of the other, the aim of this article is to outline the level of interchange between different cultures, or different mentalities, which could be mutually productive and beneficial in the marketplace. We have taken two information-rich cases from among this data to work entrepreneurial stories as detailed narratives, firstly through a within-case analysis; and secondly through juxtaposition of the two cases – also considering the international business case within Case 1[34] – and, ultimately, modelling the cross-case findings[35] to show the more convergent view. This is an approach also proposed by Drori, Honig and Wright.

Case 1: 'We brought dynamism to the market'

Entrepreneur 1 came to Berlin at the age of 11 after his first socialisation process with his grandparents and after attending primary school in Turkey. He recalls his first day as if he had been re-born – with no clue how to move in the new social context. His parents were guest workers and he attended a vocational school in Berlin. At the age of 17, and while he was still a student, an international building company from Turkey, which was the recipient of huge contracts, including ones based on reconstruction following the unification of Germany, decided to bring its own specialist workers from Turkey, and they needed someone who would arrange catering in the Turkish style. There was no self-employed person in his family, but he had seen some successful ethnic entrepreneurs within the Turkish community:

31 A great majority of the entrepreneurs mentioned these ethnic or regional identities without having been asked during the interviews.

32 TDU Expert Discussions, May 2006, Charlottenburg/Berlin, Germany.

33 The term has been developed with inspiration from Kiran Desai's last book: *The Inheritance of Loss.*

34 Yin, R. K (2009) *Case study research: Design and methods* (4th Ed.) Beverly Hills, CA: Sage.

35 Eisenhardt, K. M (1989) 'Building Theories From Case Study Research' *Academy of Management Review* 14(4): 532-541.

> No, my father was not an entrepreneur, neither were any relatives here or in Turkey. My parents did not want me to delve into such an adventure; yes, I tell you, for them it was an adventure… They tried to convince me to go on with my education at a vocational/technical college in Berlin, but we didn't listen to them. I was working in my spare time and my father was keeping my savings for me. I said, I want my savings, I am doing this job!

He gave up his plans to go to technical college and instead founded a small catering firm with a fellow-ethnic partner, who was then studying business administration at the university, just to serve this international building company from Turkey. To be able to maintain his one and only client in Berlin, he also voluntarily worked as a sales person receiving new construction projects. He experienced self-employment and, after the firm left Germany, he decided to go back to ethnic-rooted business with a colleague from within the community in a wholesale ethnic firm marketing meat for small Turkish restaurants and kiosks in Germany.

The path of commercial exchange predominantly transferred from the community habitus did not appeal to him at all and, after some other attempts in diverse sectors, including art, he decided to move back to the open market with his first gastronomy business takeover: an Italian restaurant in a well-known shopping quarter in Berlin; then the German pub next to his restaurant. Taking advantage also of the tourism effect in such a central location, he opened a Mexican restaurant next to the other two. The restaurants do not manifest a particular Turkish identity, although the restaurants do appear in accordance with the culture of the corresponding countries. Reflections of Turkish customs can, however, be experienced in the service-dominant logic of employees – although diverse nations/communities are represented in the personnel team. The names of the restaurants are globally designed, according to his cosmopolitan understanding, and a level of cross-fertilisation can also be observed in these names. Lately, he has opened an Italian ice-cream café and a Japanese restaurant, again on the same square.

He does not rely on community resources but has gathered his experience, firstly at the cross-national level; and secondly at the ethnic level with his fellow-ethnic partner. He sees himself as 'integrated' and has initiated two foundations, one of them focused on a greater recognition of gastronomy (awarding annually the best gastronome of Berlin with a prize ceremony at the Berliner Rathaus); the other concentrating on the education problems of young people from the community in Berlin.

Case 2: I say 'hardware Turkish, software German' – and everybody laughs!

Entrepreneur 2 was born in Germany and enjoyed a good education, attending a *gymnasium* and having been accepted by the Technical University of Berlin as a student. Nevertheless, he was interested in the principle of entrepreneurship and began to work with a fellow-ethnic entrepreneur/accountant – someone from the community from whom he learned the essence of entrepreneurship, not a single member of his family having hitherto been self-employed.

However, an ethnic clientele was not interesting to him due to the norms he had internalised through his education/human capital development: however, seen as someone from the community, customers were not able to recognise the commercial value

of the service offered. He moved to the open market, receiving a good offer of a strategic alliance with a telecommunications giant, opening their sales shops and partnering with his friends of Turkish descent from university – today, they have nine shops all over Berlin. He believes neither in the ethnic market, nor in ethnic marketing instruments, claiming that era is over:

> It was our parents who needed an ethnic market in the 70s and 80s, those who could not speak the language; not us, we do not need it.

The ethnic market is for him a demand-based market, where ordinary people can act as entrepreneurs without creating extra demand and without defining a competitive advantage or having to show entrepreneurial skills.

Having enjoyed the act of being an entrepreneur, he became a serial entrepreneur, partnering with different entrepreneurs and playing important roles in umbrella corporations. His employees are from diverse cultural backgrounds, but are mainly natives. His customers are also predominantly natives and firms of native descent at the B2B level.

During the privatisation process, he took over a telecommunications firm from Deutsche Telekom Services which was financially on the edge of insolvency. After the monopoly of state firms had reached an end, such firms were there to take over and enhance through entrepreneurial skills, new customer portfolios and the development of new markets. He founded another telecommunications firm acting at the B2B level, hiring out the employees working in the services department who would otherwise be facing a dismissal process. A 60-year-old firm, specialised in the transportation of people with disabilities and which was also an insolvency case, was able to survive with his management. He sees himself as a problem solver and his understanding of entrepreneurship lies in finding solutions to the problems of his customers, no matter when and how. All his employees and customers have his mobile phone number and may call him immediately if anything goes wrong. The manifestation of Turkish flexibility can be observed in this orientation towards solutions and in limitless flexibility.

Recently, he has again been active at the B2B level, having taken over an industrial laundry firm. Furthermore, he initiates social responsibility projects like '*Yardim heißt Hilfe*' – 'Yardim means Help' – which played a pioneering role in Berlin after the disastrous earthquake in Turkey in 1999, when more than 17 000 people tragically lost their lives.

Findings and discussion

These new transnational ethnic entrepreneurs who were originally migrants may either come from the already-existing migrant populations in a country – i.e. people who came to a country firstly as immigrants 'from below' – or they may already be entrepreneurs looking for a lucrative market opportunity in the host country 'from above' – i.e. from within the entrepreneurial hierarchy.[36] In our cases, we have analysed

36 Drori, I, Benson Honig and Mike Wright *op. cit.*

ones from the community, one of them being born in Germany, the other being brought to Germany as a child of guest workers.

In both cases, constructed through interviews carried out in the Turkish language, we can observe the same patterns even though they exist in totally different markets: one in gastronomy; one in high technology. They both had an ethnic market experience and could not agree with the diverse dimensions of the deliberating character of the community habitus,[37] or with staying in the ethnic market serving primarily the needs of the ethnic community,[38] which is carried out by import-export firms operating between the two countries. Due to their traditional experience with the entrepreneurial habitus in the community, they were not foreigners in the commercial world. Having fallen in love with entrepreneurialism, they could not stop the act of entrepreneurship in new areas of expertise, having taken over firms which were in bankruptcy and thus exhibiting an extraordinary level of risk-taking behaviour:

> We always got on the sinking ships, we did that really; in my opinion, firms do not fail, I mean…. cannot fail; it is the management who fails,

says Entrepreneur 2. Their employees come from diverse cultures and they are ready to work in entrepreneurial teams. They display a service-dominant logic and bring extra dimensions to the products/services they offer – which merge into a new meaning/understanding of such offers and which are recognised as such by both existing and new customers. They are both solutions-oriented and take initiatives on behalf of members of the society who are in need, especially for populations they know well. Neither of their families had exhibited entrepreneurial initiative previously, but they were able to find role models in the social context in which they were rooted. Both used the transnational environment after the fall of the Berlin Wall to recognise the opportunities, mobilise resources and establish their entrepreneurial existence, and on two clear paths: the processes of privatisation; and the cosmopolitan way of life via heterogeneous cultures which became popular by means of globalisation. They did not cut their ties with the community, but they did become curious about the 'other' and were open to 'be influenced and to influence' the market through interactions.

The common patterns can be summarised in the model included in Figure 2.

Conclusions

With our preliminary findings based on two cases reflecting various forms of cross-fertilisation in the market, we have tried to bring to light firstly the silent contribution of transnational entrepreneurs to the cosmopolitan environment of Berlin, where 180 cultures live together. Secondly, we also wanted to shed light not only on cross-national but also cross-community fertilisations which, again, together represent diversity in Berlin with its unique position and history.

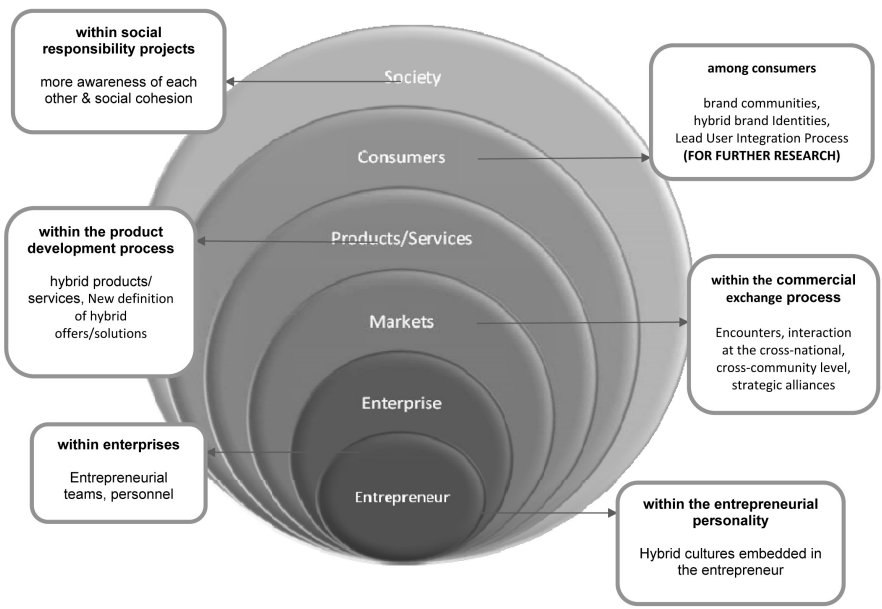
37 Bourdieu, P *op. cit.*

38 Bonacich, E (1972) 'A theory of middleman minorities' *American Sociology Review* 38: 583-594.

It is proposed in the model that further research should concentrate on the dimensions of hybrid products and services, as well as on consumer cohesion which, in the long-term, may also serve cohesion within the society. The proposed multi-layered model has a very preliminary character and delivers to researchers and practitioners the basic dimensions of market activities where cross-fertilisation can be observed in markets.

This study should deliver the facts on a better means of 'living together', not side-by-side, via the transfer of market interactions to social life; and, secondly, it should be considered as a first step to the building of different models for cross-fertilisation using grounded theory.

Figure 2 – Model of the study: where to look for cross-fertilisation?



Source: Developed and proposed after analysis