

**Metin Saygılı**

Sakarya University  
of Applied Sciences  
Faculty of Applied Sciences  
Merkez Mah, Şht. Fahrettin  
Azak Cd. No:28/3,  
54650 Kaynarca/Sakarya, Turkey  
msaygili@subu.edu.tr  
Phone: + 902646160054

**Ahmet Yağmur Ersoy**

Sakarya University  
Sakarya Business School  
Kemalpaşa Esentepe Kampüsü,  
Üniversite Cd.,  
54050 Serdivan/Sakarya, Turkey  
ayersoy@sakarya.edu.tr  
Phone: +902642957134

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# AN EXPLORATORY VIEW OF THE FOUNDATIONS OF FOREIGN TRADE ENTREPRENEURSHIP\*

## ABSTRACT

This study aims to reveal the foreign trade entrepreneurship and entrepreneurial tendency in the context of economic nationalism which expresses a protective approach in terms of foreign trade policy which is one of the main components of the policy of economics. The study was designed as a single case study from qualitative research designs. The sample of the study consists of foreign trade entrepreneurs who have been in foreign trade for at least five years and who are in the industry as a producer/manufacturer. In the study, the semi-structured interview technique was used for the data gathering process. A purposeful sampling technique was used in order to determine enterprises and individuals to conduct interviews. The findings of the data analysis showed that the foreign trade policy adopted by the individual is the basis of the commercial activity. The result of the study was examined in two dimensions as “foreign trade entrepreneurship” and “international entrepreneurship”. It shows that the companies are predominantly foreign trade entrepreneurs in the context of evaluating the income obtained from abroad, benefiting from incentives, future targets, opportunities and threats of foreign commercial activities. For this reason, the finding obtained reveals that the firms subject to the study are mainly economically nationalist. Considering this, it is suggested to support foreign trade entrepreneurs, who act mainly with an economically nationalist motivation, to find new market opportunities abroad, to increase the government incentives for bringing the foreign currency revenues to the country and to facilitate the access of companies to them.

**Keywords:** Foreign trade entrepreneurship, international entrepreneurship, economic nationalism, commercial nationalism, foreign trade, international trade

## 1. Introduction

Entrepreneurship might occur at transnational and extra-national levels in the international dimension. Here what matters is whether international trade activity is carried out between or beyond national borders. The basic argument that gives meaning to this question is that transnational and

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extra-national levels differ regarding the ways of producing and utilizing added value. This difference is closely related to the meaning attributed to foreign trade gains and macro-scale limits of the expected gains. This approach brings the following question to minds; is added value production triggered by a motivation within national political and economic borders or a motivation globally exceeding these borders? In order to answer this question, one needs to know and evaluate macro targets of national economies in the context of economic policy and micro expectations of companies while embarking on international trade.

One of the basic assumptions of the study is that national economies conflict economic and commercial levels. As mentioned above, several countries follow aggressive commercial processes, while others pursue protective commercial processes at the global economic level. From a historical perspective, it is apparent that developed economies have long been using their production power and engaged in policies that shape the consumption and production patterns of nations which they claim to be their "commercial partners" and impose their economic targets on these nations. Developed nations can practice this policy through international technology transfer, intellectual and industrial property rights, international funds flow and direct foreign investments. Justification of these aggressive policies is free trade. The attempt of developed countries to take over particularly developing economies by imposing free trade is an aggressive process defined as commercial nationalism. The perspective that as the Ritzer (2014) says, deals with the world as a single market in global terms is the view that dominates this process.

The opposing view is the policy of national economies to protect their economic independence and overcome the aggressive commercial understanding mentioned above. Developing nations might follow a protective policy to protect the domestic market against external interventions and get the maximum benefit from international commercial affairs in an attempt to sustain the industrialization process. This policy has many well-known means. Political means such as import substitution, foreign exchange administration, tariffs, subsidies, and damping are implemented in order to protect national economies. The goal of strengthening the national economy by increasing import revenues besides protecting the domestic market against external impact and supporting the national industry is an approach named "economic nationalism".

As mentioned earlier, both aggressive commercial nationalist and protective economic nationalist tendencies need micro actors; in other words, companies that will adapt to policies arising from these tendencies and implement these policies. The reason is obvious. The total added value that nations can offer to the global market is produced by companies that they own. As mentioned earlier, added value production is an organizational issue, and the basic component of this organization is the "entrepreneur". In other words, no matter countries follow commercial nationalist or economic nationalist policy, these tendencies might be implemented only through entrepreneurs. Therefore, it is possible to conclude that commercial nationalist and economic nationalist tendencies influence entrepreneurial activities that might emerge at the international level.

The internationalization of enterprise might occur at various dimensions after this stage. If the entrepreneur creates an added value as a result of entrepreneurship and production activities in various countries and uses this added value in order to expand activities outside his origin country or realize new direct foreign investments or portfolio investments in that country, such an entrepreneurial activity might be called international entrepreneurship. On the contrary, if the entrepreneur tends to carry out production, investment and activities only in his origin country and aims to transfer domestically created added value to foreign markets through foreign sales and use revenue of these sales in origin country as fixed capital or portfolio investments rather than overseas production activities, such entrepreneurship might be defined as foreign trade entrepreneurship.

International entrepreneurship has been defined by various authors from different points of view. In this context, definitions of international entrepreneurship have been determined by definitions of McDougall (1989) and Oviatt and McDougall (1994, 1997, 2000). A literature review of international entrepreneurship indicates that the first systematic approach to the issue was carried out by Oviatt and McDougall (1994: 49). Tayauova (2009) compiled the international entrepreneurship definitions in the literature and defined international entrepreneurship as "a process that a business pursues within the organization by displaying innovative, proactive and risk-taking behaviours while exploring and using opportunities beyond national borders for goals such as creating value, gaining profits or growing".



Ersoy (2018) defines foreign trade entrepreneurship as “a process where domestic industrialists sell the added value they produce domestically and use the revenues to produce new added values within the country”.

It is apparent that meanings attributed to the revenues obtained with entrepreneurship activity might be dealt with in different ways in terms of internationalization of entrepreneurship, international entrepreneurship, and foreign trade entrepreneurship. Determinants of the internationalization level of trade must be discussed in order to identify the scale of these various levels. Commercial activities across and between national borders give rise to two different flows named as “international trade” and “foreign trade”. International trade involves every economic activity between nations, including direct foreign investments. On the other hand, foreign trade is limited to import and export activities between nations. From this point of view, it might be said that international entrepreneurship is a reflection of international trade while foreign trade entrepreneurship is the reflection of foreign trade.

The motivation of this study is to reveal possible conceptual differences between international entrepreneurship and foreign trade entrepreneurship. Therefore, its goal is to identify the different aspects of international entrepreneurship and foreign trade entrepreneurship in the context of entrepreneurs who carry out foreign trade activities.

## 2. Literature review

Foreign trade entrepreneurship is the outcome of protective foreign trade strategies expressed as economic nationalism and might be considered as a means of foreign trade policy in economic terms. To state it again, foreign trade entrepreneurship is a reflection of economic nationalist attitude to close foreign trade deficits. From this point, a literature review on *the concept of foreign trade entrepreneurship* reveals that relevant studies are quite limited. Ersoy's (2018) study “*Foreign Trade Entrepreneurship: Concept, Scope, and Theory*” is the pioneering and comprehensive study on the issue of foreign trade entrepreneurship.

Ersoy and Saygılı (2018a) studied the factors that influence foreign trade entrepreneurship by means of formal interviews with ten foreign trade entrepreneurs from the current sample of foreign trade entrepreneurs. The basic motivation of the study is

to identify the risk perception of foreign trade entrepreneurs and threats against foreign trade as well as factors that motivate them to foreign trade and foreign trade opportunities.

Ersoy and Saygılı (2018b), who considered it necessary to study the quality and outcomes of risk-taking behaviours of companies that make foreign trade and carry out entrepreneurship activities in international markets, wished to reveal obstacles and problems that foreign trade entrepreneurs encounter in the foreign market entry as current foreign trade entrepreneurs have become significant actors who influence political, economic and cultural features of the target market.

Ersoy and Saygılı (2018c) aimed in their study to define foreign trade entrepreneurship and reveal the meaning attributed to the concept of foreign trade entrepreneurship from international trade students who are considered as potential foreign trade entrepreneurs. Data were analyzed through a four-phase process where responses given to the questions on the definition of foreign trade entrepreneurship were examined. Definitions developed in the context of each theme and definition of foreign trade entrepreneurship that was obtained by studying these themes are presented below (Ersoy, Saygılı, 2018c: 429-430):

*“Foreign trade entrepreneurship is the transfer of goods and services to international markets according to the goals of foreign trade policy by benefitting from cultural differences between countries and using financial and logistic channels actively.”*

Results of the study that Ersoy and Saygılı (2018d) investigated the foreign trade entrepreneurial intentions of international trade students in the context of Planned Behavior Theory indicated that foreign trade entrepreneurial intention might be explained by Planned Behavior Theory.

## 3. Methodology

### 3.1 Study question and goal

This study aims to define foreign trade entrepreneurship and focus on revealing the aspects that differ from international entrepreneurship by dealing with foreign trade entrepreneurship based on a protective approach as a means of foreign trade policy, in other words on the basis of economic nationalism. Thus, it is possible to put the central question of the study as “*How the foreign trade entrepreneurship reflects*



*on the basis of economic nationalism as a protective policy that is foreign trade policy?"*

By dealing with foreign trade entrepreneurship in the context of protective macro-economic policy, it is aimed to fill a conceptual gap and contribute to empirical studies. As foreign trade entrepreneurship differs from international entrepreneurship in terms of ideological arguments, it is essential to make a distinction between these two concepts. In the context of our study, another goal is to reveal suggestions for problems experienced in international market entry and operations by companies that make foreign trade and are dealt with current foreign trade entrepreneurs. In this context, the primary motivation of this study is to reveal foreign trade enterprises and tendencies in the context of economic nationalism expressing a protective structure that might be assessed within foreign trade policy which is a macro-economic policy.

### *3.2 Research design: qualitative single case study*

This study was planned based on the qualitative method in the context of its questions and goal. On the other hand, the sample case study was selected for the research design, which is one of the qualitative research patterns.

As this study was designed as a sample case study, which is one of the qualitative research designs, it required a research pattern that study topic and context are integrated (Yin, 2003).

In the framework of qualitative research in general and features of sample case studies and research focus in particular, this type of study, which deals with the reflections of foreign trade entrepreneurship on the basis of economic nationalism and how foreign trade enterprises and tendencies are shaped, was designed as a single case study which is one of the research patterns. As the study deals with the subject in terms of the individual's foreign trade policy (economic nationalism-commercial nationalism), scope of trade (foreign trade-international trade), and entrepreneurship (foreign trade entrepreneurship-international entrepreneurship), cases and phenomena were analyzed in an integrated way because of the contextual conditions of entrepreneurs and entrepreneurship operations which are the subject of the study. In this context, the interview technique was used as a study data resource.

### *3.3 Study sample*

A purposeful sampling technique was used for determining the analysis unit of the study. Analysis unit comprises companies that have been making foreign trade for a minimum of 5 years and take place in the industry as producer/manufacturer. As the study has a single case pattern, it was carried out on a single case within the scope of the identified analysis unit.

As it might not always be possible to contact with companies to carry out sample case research (Coşkun et al., 2015), this study was exposed to limitations in terms of availability of every foreign trade company in the analysis unit. Therefore, the identification of the sample involved in the research was made with a convenience sampling method, which is one of the non-probable sampling methods.

Companies that share similar contextual backgrounds have been making foreign trade for a minimum of 5 years and take place in the industry as producer/manufacturer was involved in the analysis unit according to relevant criteria. Turkish Statistics Institute 2018 data indicates that Marmara is the region that produces the largest share of gross national product. Therefore, considering the proximity of Sakarya province to both international and national main transit roads, ports, and Turkey's significant free zones its production capacity, it is quite significant for foreign trade potential of the Marmara Region. Moreover, as this study deals with the permanency potential of companies that have been making foreign trade for a minimum of 5 years, companies in Sakarya that have been making foreign trade for a minimum of 5 years and take place in the industry as producer/manufacturer was involved in the study.

As business owners, partners or chairman of the executive board of foreign entrepreneur companies are likely to have better knowledge and awareness on the study subject. They were purposefully involved in the study.

In this context, features of study participants indicate that the industrial experience of participants ranged between 6 and 45 years, with an average of approximately 18 years of experience in the industry. Classification of the positions of interviewees indicates that the number of company owners is much higher than company partners and chairman of the board of executives. The number of companies in the sample group that operate in machinery



production is relatively higher than companies operating in other industries. The study sample also includes companies operating in furniture, construction materials, agricultural products, automotive, textile industries.

### 3.4 Indicators and themes that drive research design

In order to deal with qualitative research design in a particular context and carry out data analysis, a framework might be established from study questions, conceptual framework or dimensions in interviews and/or observations and themes under which these data will be arranged and presented might be determined according to this framework (Yıldırım, Şimşek, 2016: 240). Due to the limited number of studies on foreign trade entrepreneur-

ship, there is not a theoretical framework to determine themes that might drive such research on foreign trade entrepreneurship in the context of economic nationalism. In such cases, relevant literature/background, theoretical explanations, models might be taken as the basis for managing data collection and analysis processes of qualitative research.

In this context, the authors designed a framework from literature/background on how *economic nationalism forms the basis of foreign trade entrepreneurship and what role it plays as a result of reading on fields of international trade discipline where studies are carried out on "foreign trade entrepreneurship"*. Themes established according to the literature's emphasis have been presented in Table 1.

**Table 1** The relationship between interview questions and literature emphasis on themes that drive the research

Literature Emphasis/ Background	Themes	Interview Questions
The way of evaluating overseas commercial activity determines the scope of entrepreneurship.	Foreign Trade Entrepreneurship International Entrepreneurship	How do you utilize the revenue you gain from overseas commercial activities?
The goal of practising overseas commercial operation determines the scope of trade.	Foreign Trade International Trade	What do you aim while carrying out overseas commercial activity?
The level of benefitting from government incentives determines the scope of trade policy.	Economic Nationalism Commercial Nationalism	Do you benefit from government incentives provided for overseas commercial activities? *If you do, what are the incentives you benefit from? *If you do not, why?
Overseas investment and scale of the investment determine the scope of trade policy and entrepreneurship.	Economic Nationalism Commercial Nationalism Foreign Trade Entrepreneurship International Entrepreneurship	What does overseas investment mean to you? *What do you understand from overseas investment? *Could you tell us about your overseas investments, if any?
Perceived opportunities and threats determine the scope of trade policy and entrepreneurship.	Economic Nationalism Commercial Nationalism Foreign Trade Entrepreneurship International Entrepreneurship	What do you see as opportunities and threats in your overseas commercial operations?
The weight of the target market (domestic market-foreign market) determines the scope of entrepreneurship.	Foreign Trade Entrepreneurship International Entrepreneurship	Considering your commercial activity, is your target market predominantly domestic or foreign market? Tell us the reasons.
Commercial or general targets for the next five years, which indicates the company vision, determines the scope of trade policy and entrepreneurship.	Economic Nationalism Commercial Nationalism Foreign Trade Entrepreneurship International Entrepreneurship	What are the commercial and general targets of your company for the next five years?

Source: Prepared by the authors



The framework established with the help of literature emphasis/background helped data collection and analysis processes of the study. Themes are also crucial for the internal reliability of the research. For internal validity, themes must be compatible and consistent among themselves, between each other and with the studied phenomenon (Arslan, 2019: 65). Thus, the framework contributes significantly to the consistency and compatibility of the research.

### 3.5 Data sources and data collection process

As this research was carried out as an instrumental sample case study based on a single data source, the interview technique, one of the most significant data sources for sample case studies, was used (Yin, 2003). The primary motivation for selecting interview techniques for data collection of this research is to make direct inferences about foreign trade entrepreneurial experiences, feelings and thoughts of company owners, partners and chairman of boards of executives who constitute the analysis unit of the study.

Table 1 presents the relationship between the study background and emphasis on the study goal and interview questions. Interviews are semi-formal structured.

The research was carried out with 22 different foreign trade entrepreneurs in Sakarya province. Research data were collected on April 2019 through semi-structured interviews with 22 business owners, partner or chairman of the board of executives who were foreign trade entrepreneurs. As the interview data kept repeating, they did not continue after the 22<sup>nd</sup> interview. Therefore, 22 interviews were included in the study. Interviews done in the context of the research took about 25 to 50 minutes, audio and written records were taken.

### 3.6 Preparation of interview questions

Study questions were prepared with the help of a literature review, and expert opinion was taken to give the questions their final form. A 12-question interview form was designed at the end of the literature review and discussions with 3 foreign trade experts and 2 academicians from the field. Several questions were dropped to 7 in terms of their scope and comprehensibility at the end of the evaluations of academicians and foreign trade experts. In addition to 7 questions, the study on foreign trade entrepreneurs who make foreign trade and take place in the industry as producer/manufacturer also involved questions regarding age, educational status, experience and current position in industry and company to reveal demographic features.

### 3.7 Data decoding

After the completion of the interview process, each sample case was fully decoded in order to translate voice records into written texts. As the total interview duration of 22 sample cases covered more than 750 minutes of voice records, the authors received support from experts for the decoding of the records. Voice records were translated into written texts by transferring them from Microsoft Office programs to Word program. The decoding of all voice records was completed in April 2019. Moreover, notes taken for each interview were adapted and translated into a written version of the Word program.

### 3.8 Reliability of data

Different ways might be resorted to providing the internal consistency of qualitative studies. In this study, the following methods were used (Meriam, 2015: 203-210).

- Access to appropriate and sufficient number of participants for data collection process: Saturation of data and findings in terms of the number of interviewees according to the nature of the study goal.
- The stance of the researcher: Honesty, the trueness of the researcher, reflecting criticism.
- Expert review: Assessment, interpretation of research findings by expert opinion.

It is also stated that raising the internal validity of a study is related to the connection and consistency of themes and indicators of the study subject with the phenomena (Yin, 2003).

To raise internal validity of this research, participants were involved in the study until data and findings came to the saturation point; the researcher quoted directly from interviews to reveal findings as clearly and accurately possible and resorted to the views of 5 experts including 3 foreign trade experts and 2 academicians at the critical phases of the study.

### 3.9 Data analysis

Directive content analysis was used in data analysis of this research. As data of this study were analyzed deductively, themes and categories were determined in order to establish a specific framework before beginning the analysis and obtained data were subjected to analysis according to this



framework (Julien, 2008). After establishing the themes that direct the research, data are sorted out and unified, and dimensions are established in the context of these themes (Coşkun, 2014: 3). Data gathering and analysis of this study were directed by the framework that was established according to the background emphasis related to the reflections of foreign trade entrepreneurship in the context of economic nationalism. Therefore, data of this study were analyzed deductively from themes to excerpts.

In the data analysis stage, obtained data were first written down, and each interview was transformed into a written document. These documents were categorized according to the themes in Table 1 and indicators relevant to these themes. Indicators of foreign trade policy, the scope of commercial ac-

tivity and entrepreneurship have shown in Table 1 were accepted as separate themes. Literature/background emphasis on the reflections of foreign trade entrepreneurship based on economic nationalism, which directs this study, was also used as category structures in data analysis. In this context, themes and categories were associated using excerpts from data on each theme. Thus, it was assured that the literature/background emphasis in the conceptual framework section has empirical responses.

### 3.10 Interpretation of findings

Findings on data analysis, which was carried out as a directive content analysis, are presented in Table 2 separately for each theme regarding supportive statements on the basis of thematic determinants.

**Table 2** Distribution of thematic determinants according to supportive statements

<i>Thematic Determinants</i>	<i>Themes</i>	<i>Supportive Statements</i>
<i>Way of assessing overseas commercial activity</i>	Foreign Trade Entrepreneurship	*R1, R2, R3, R5, R6, R7, R9, R10, R11, R12, R13, R14, R15, R16, R18, R19, R21, R22
	International Entrepreneurship	R4
<i>The goal of carrying out overseas commercial activity</i>	Foreign Trade	R1, R2, R3, R5, R7, R8, R9, R10, R11, R12, R13, R14, R15, R16, R17
	International Trade	R9
<i>Level of benefitting from government incentives</i>	Economic Nationalism	R2, R3, R5, R6, R7, R8, R9, R13, R14, R15, R16, R18, R20, R21
	Commercial Nationalism	-
<i>Overseas investment and scale of investment</i>	Economic Nationalism	R5, R6, R17, R20
	Commercial Nationalism	R9
	Foreign Trade Entrepreneurship	R1, R2, R5, R6, R8, R13, R16, R18
	International Entrepreneurship	R7, R9
<i>Perceived risk and opportunity in overseas commercial activity</i>	Economic Nationalism	R10, R12, R13, R22
	Commercial Nationalism	R1, R6
	Foreign Trade Entrepreneurship	R1, R6, R7, R8, R10, R12, R14, R15, R16, R17, R19, R21
	International Entrepreneurship	R15
<i>Weight of the target market (domestic-foreign market) in commercial activities</i>	Foreign Trade Entrepreneurship	R1, R2, R3, R5, R6, R8, R9, R10, R13, R16, R17, R18, R19, R20, R22
	International Entrepreneurship	-
<i>Commercial or general targets for the next five years which indicate company vision</i>	Economic Nationalism	R5, R6, R8, R11, R12
	Commercial Nationalism	-
	Foreign Trade Entrepreneurship	R1, R2, R3, R5, R6, R7, R8, R9, R10, R12, R13, R15, R16, R17, R18, R19, R21, R22
	International Entrepreneurship	R9, R18

\*R: Respondent

Source: Prepared by the authors



### *3.10.1 Findings on utilization of revenues obtained from overseas commercial activities*

When excerpts from data related to the ways that participants utilize the revenues, they gained from overseas trade are examined in terms of foreign trade entrepreneurship, it is understood that participants utilize these revenues again within their business. Foreign trade entrepreneurs also utilize overseas trade revenues to expand their business, purchase raw materials and increase corporate capacity by purchasing machinery and equipment. Having stated that providing employment matters for them as well, foreign trade entrepreneurs expand production fields and attach importance to quality and standards and focus on technology, innovation, and R&D activities.

### *3.10.2 Findings on the goal of overseas commercial activity*

When findings on the overseas trade goal of participants are examined in terms of foreign trade, finding and developing markets come to the fore. In this context, it is essential in overseas trade activity to do market research, enter into and expand the market, increase the number of customers, fill the market gaps, expand product range and gain more revenue by achieving sales volume which cannot be achieved in the domestic market. On the other hand, the goals of participants in doing overseas trade activity involve raising recognition of both the company and Turkey as well as providing foreign currency inflow. Overseas trade goals also include participating in international fairs, establishing a sense of trust overseas utilizing innovation and growing by raising sales and achieving the turnover target. Besides the ultimate goal of earning money, findings include a desire to take a more significant share of the market by enhancing after-sales service quality and increasing the quantity of machinery and contribute to the national economy.

When findings related to the overseas trade goals of participants are examined in terms of international trade theme, international trade is encouraged by advantages such as location and opportunity to use existing resources and use cheaper resources.

### *3.10.3 Findings on benefitting from government incentives*

Findings on economic nationalism theme in terms of benefitting from government incentives indicate that participants instead benefit from incentives to attend international trade fairs. Incentives for patent and equipment investment are other incentives

that participants benefit from. Incentives provided to participants also include Eximbank benefits, support of KOSGEB and logistics support provided by the government for overseas shipping.

No finding was found related to commercial nationalism in responses given in terms of benefitting from government incentives.

### *3.10.4 Findings on what overseas investment means*

When findings on what overseas investment means to the participants are examined in terms of economic nationalism, contributing to the national economy comes to the fore. In this context, the existence of producers using local goods, desire to contribute to the national economy and its recognition as national income support the importance attached to the national economy.

When findings on what overseas investment means to the participants are examined in terms of commercial nationalism, it is seen that participants are likely to use an investment country's incentives to in facility construction in the relevant country.

When findings on what overseas investment means to the participants are examined in terms of foreign trade entrepreneurship, it is seen that overseas investment is essential for the participants in having knowledge flow and raising the number of markets. Some of the participants stated that they did export directly even though they selected a partner for marketing network and marketing activity. On the other hand, overseas investment and overseas target markets require participants to produce and export products with suitable quality and standards. For facilities and/or factories that are impossible to establish for overseas investment (water factories), the essential investment seems to be increasing brand recognition.

When findings on what overseas investment means to the participants are examined in terms of international entrepreneurship, overseas investment means doing production by using cheaper labour in the cheaper location and obtaining more added.

### *3.10.5 Findings on perceived opportunities and threats of overseas trade activities*

When opportunities and threats of overseas trade activities perceived by participants are examined in terms of economic nationalism, participants emphasize that export companies must be supervised and subjected to specific standards. On the other hand, they also stated that there are participants who used government incentives to pursue different activities instead of attending trade fairs and learned nothing wherever they went.



When opportunities and threats of overseas trade activities perceived by participants are examined in terms of commercial nationalism, findings indicate that not being recognized overseas as a brand is seen as a threat.

When opportunities and threats of overseas trade activities perceived by participants are examined in terms of foreign trade entrepreneurship, threats perceived by participants include fluctuations in the economy and foreign currency rates, political and economic crisis, contract terms and failure to deliver products accurately. On the other hand, one of the most significant opportunities of working overseas is working with ready cash because more significant sales potential due to the market size and payment without keeping the money indicate a significant opportunity. Moreover, overseas activities are seen as less risky than domestic activities. This is because export is considered a more profitable way of exchange, and it enables finding customers faster by realizing market gaps. Logistics and cost advantage is also other opportunities for overseas trade activities. Other opportunities of overseas trade activities in terms of foreign trade entrepreneurship are government incentives, cash flow and perceived the excellent quality of Turkish goods.

When opportunities and threats of overseas trade activities perceived by participants are examined in terms of international entrepreneurship, it is seen that economic situation drives people to take place in overseas markets and make the overseas investment, which is seen as an opportunity of overseas trade activities in terms of international entrepreneurship.

### 3.10.6 Findings on the predominant target market in terms of commercial activities

When findings on whether participants predominantly aim domestic or foreign markets in terms of their commercial activities are examined in terms of foreign trade entrepreneurship, it is emphasized that foreign market is essential for participants due to easy transport, accessibility of customers and shipping system. Participants stated that the domestic market is essential for brandization and the foreign market is indispensable in terms of the company vision. Considering the customer intensity and market opportunities, taking place in particularly export-oriented foreign markets is essential for participants both for sustainability and because of the narrowing market structure of Turkey. Participants, who select foreign markets as the predominant activity field in order to compete, survive in the market, grow and enable sustainability, focus on overseas commercial activities to preserve

their current status and avoid domestic market conditions which are risky due to fluctuations in foreign currency rates. Therefore, participants continue their domestic activities while simultaneously trying to take place in overseas markets as well in terms of foreign trade entrepreneurship. Moreover, the statements of participants indicate that export is one of the leading commercial activities that keep a company standing. Embarking on foreign markets on condition that companies achieve a specific market size, several customers and capacity indicate that the domestic market is the critical and foreign market is the main goal for the participants. In other words, although participants see both markets risky, they try to find a place in the foreign market by improving their domestic market position.

No finding relevant to the international entrepreneurship theme was found among the responses given by participants to the questions on the predominant target market in terms of commercial activity.

### 3.10.7 Findings on the goals of company for the next 5 years

When findings on company targets for the next five years are examined in terms of foreign trade entrepreneurship, participants generally aim to make more sales overseas and increase sales volume, invest in machinery and equipment, expand product range and variety and increase production capacity. Plans for the next five years also include building facilities suitable for production structure, building factories in origin country that will increase production as well as having machinery that will reduce production costs and increase production capacity and raising the number of production fields. Targets within foreign trade entrepreneurship also include growth targets, a more active overseas structure, a desire to grow and carry out operations in more countries, better quality and standards and sustainability of export, product range, and abundant technology.

When findings on company targets for the next five years are examined in terms of *international entrepreneurship*, it is seen that participants emphasize primarily doing export and then direct foreign investment. Besides, realizing a production model in different countries is among the plans of participants.

Findings on company targets for the next five years are examined in terms of *economic nationalism* indicate that lack of support is seen as an export problem despite the desire of the company to grow. Even when there are offers from different countries or overseas, participants display a determined attitude to continue their production and activities in Turkey by preserving their current position, mar-



ket, and brands, emphasizing on an economic nationalistic structure.

No finding was found among responses given by participants to the questions on the company goals for the next five years in terms of international entrepreneurship.

#### 4. Conclusion

Considering the context of the research, it is understood that international entrepreneurship which is a reflection of international trade, is not conceptually recognized by participants of the study. The reason is that the Republic of Turkey follows import substitution gradually and then export-oriented strategic foreign trade policy. The majority of companies operating in our country are in SME status. According to the research finding, the participants use the export incentives provided by the government extensively and it reveals that SME-scale firms subject to the research have demands for government incentives. Therefore, the basic argument of this study that foreign trade is the antecedent of international trade is politically verified. SMEs will not end up with advantages from the international competition without being supported and protected by the government. It is known that new protective measures are taken under two categories. These categories are (1) the support policies of the government and (2) protective policies. In the context of our research, entrepreneurs who constitute the study sample want direct protective measures on imports rather than public incentives and support.

We might say that definitions examined in this study (foreign trade, international trade, foreign trade entrepreneurship, international entrepreneurship, economic nationalism, commercial nationalism) overlap with the findings of the study. When study results are analyzed in the context of foreign trade entrepreneurship definition, study findings confirm the assumption that foreign trade entrepreneurship is “*selling domestically produced added value overseas and utilizing monetary equivalent to produce new added value within the country of origin*”. When study results are analyzed in the context of international entrepreneurship definition, study results overlap with the assumption that international entrepreneurship is “*utilizing the monetary equivalent of the added value produced with investments in both domestic and foreign markets for profitable overseas markets*”. On the other hand, study findings confirm the assumption that “foreign trade entrepreneurs strongly expect to be supported and protected by the government”. In the context of international trade definition, study findings confirm the assumption that international entrepreneurs “see

differences between global markets as a significant opportunity rather than incentives or support of any country). In the context of economic and commercial nationalism, study findings also confirm the assumption that “economic nationalism is the motive underlying foreign trade entrepreneurship while commercial nationalism is the political motive that directs international entrepreneurship.

#### Limitations

It was not possible to do a comprehensive literature review on the concepts investigated in this research as the number of studies on foreign trade entrepreneurship is quite limited. However, it was concluded that basic assumptions of the study are confirmed by study findings.

It is not possible to evaluate fixed capital investment based on service industry in equal terms with industrial investment. Service export must be investigated apart from industrial export. Therefore, sample of this research involve producer/manufacturer companies and study results are evaluated only in this context.

#### Implications

Leading factor that motivates foreign trade entrepreneurs to overseas markets is that installment sales in domestic markets constitute a significant risk while pre-payment sales in foreign markets reduce such risks. Therefore, carrying out studies to investigate the factors that motivate and hinder foreign trade entrepreneurship might be useful.

This research involves producer/manufacturer companies. As service export is dealt apart from industrial export, it is important that future studies investigate international entrepreneurship and foreign trade entrepreneurship in various service sectors and in different contextual dimensions.

When the research findings are interpreted, it is seen that the participants are eager to explore new market opportunities especially in abroad. It is also revealed that the participants are willing to benefit from government incentives. Considered in these contexts, it is suggested to support foreign trade entrepreneurs, who act mainly with an economically nationalist motivation, to find new market opportunities abroad, to increase the government incentives for bringing the foreign currency revenues to the country and to facilitate the access of companies to them. Future studies on this subject may contribute to determining the scope of government incentives for foreign trade entrepreneurs. In addition, the effects of cultural differences on foreign trade entrepreneurship can be investigated with future studies.



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*Metin Saygılı*

*Ahmet Yağmur Ersoy*

## **ISTRAŽIVAČKI PRIKAZ TEMELJA PODUZETNIŠTVA U VANJSKOJ TRGOVINI**

### **SAŽETAK**

U ovom se istraživanju ispituju poduzetništvo u vanjskoj trgovini i poduzetnički trendovi u kontekstu ekonomskog nacionalizma koji je izraz zaštitnog pristupa u vanjskotrgovinskoj politici, koja je jedna od glavnih elemenata ekonomske politike. Prikaz je zamišljen kao studija slučaja koja se temelji na kvalitativnom istraživanju. Uzorak se sastoji od poduzetnika aktivnih u vanjskoj trgovini najmanje pet godina i koji se bave proizvođačkom djelatnošću. Za prikupljanje podataka korištena je tehnika polustrukturiranog intervjua. Nadalje, poduzeća i pojedinci s kojima će se provesti intervju odabrani su metodom namjernog uzorka. Analiza podataka pokazuje da se komercijalna aktivnost temelji na vanjskotrgovinskoj politici koju je pojedinac odlučio provoditi. Rezultati istraživanja ispitani su u dvije dimenzije kao „poduzetništvo u vanjskoj trgovini“ i „međunarodno poduzetništvo“. Pokazalo se da su poduzeća uglavnom poduzetnici u vanjskoj trgovini kad je riječ o procjeni prihoda ostvarenog u inozemstvu, ostvarivanju koristi od poticaja te budućim ciljevima, prilikama i prijetnjama u kontekstu inozemnih komercijalnih aktivnosti. Na temelju rezultata može se zaključiti da su poduzeća ispitana u okviru istraživanja uglavnom ekonomski nacionalisti. Stoga se predlaže da se poduzetnicima u vanjskoj trgovini, čija je motivacija uglavnom ekonomski nacionalizam, pruži potpora u pronalasku novih tržišnih prilika u inozemstvu, da država poveća poticaje za ostvarivanje deviznih prihoda i poduzećima olakša pristup tim poticajima.

**Ključne riječi:** poduzetništvo u vanjskoj trgovini, međunarodno poduzetništvo, ekonomski nacionalizam, komercijalni nacionalizam, vanjska trgovina, međunarodna trgovina



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