

Occasional Paper Series

Adaptation of Interorganizational Networks to Environmental Change: Creating Insiders and Outsiders

Liesl Riddle

Assistant Professor of International Business and International Affairs at the George Washington University

The GW Center for the Study of Globalization
Occasional Paper Series

The George Washington Center for the Study of Globalization (GWCSG) provides research grants to GW faculty to conduct investigations on the various forces that are driving globalization, the implications of globalization for business strategy and government policy, as well as the effects of globalization on people's day-to-day lives. The projects consider how globalization is changing the relationship between markets and governance at local, national and international levels; how globalization is affecting the stability of international financial markets, and how information technology effects globalization.

The Occasional Paper Series showcases research papers that have been funded by the GWCSG. It provides GW and the general public with access to innovative ideas, expands opportunities for research collaboration between academics and practitioners, and gives more timely access to high-quality research than is available from traditional academic or professional journals.

All papers published in this series can be found at the GWCSG Web site, located at <http://www.gwu.edu/~gwcsg>.

Contact Us

The GW Center for the Study of Globalization
2033 K Street, NW, Suite 230
Washington, DC 20052

Phone: (202) 994-5221
Fax: (202) 994-5284
Email: gwcsg@gwu.edu
Web: www.gwu.edu/~gwcsg

Adaptation of Interorganizational Networks to Environmental Change: Creating Insiders and Outsiders

Liesl Riddle

Assistant Professor of International Business and International Affairs
The George Washington University

Abstract

Network research has examined how interorganizational network structure facilitates firm-level adaptation to environmental change. Less attention has been paid to network-level adaptation. A mixed-method case study is employed, chronicling how a friendship network of exporters adapted to increasing environmental change by formalizing, developing a defined network boundary, and decreasing boundary permeability to protect the network's small size and homogeneity. This network-level adaptation created a network conducive to inter-firm interaction, trust, and learning, helping firms adapt to an increasingly threatening environment. A model and testable propositions are generated based on case-study findings, and implications for managers, policymakers, and future research addressed.

CSGOP-05-36

Copyright © 2005 belongs to the author

Van de Ven and Ferry (1980) suggest that interorganizational networks consist of the “total pattern of interrelationships in a social system to attain collective and self-interested goals or to resolve specific problems in a target population” (p. 299). As Adler and Kwon observe (2002), recently a stream of scholarship has explored the ways in which social capital may be mobilized through interorganizational network ties, accruing benefits to firms, such as strengthened supplier relations, regional production networks, and inter-firm learning.

Emergy and Trist (1965) have established a link between the environmental context and the formation of interorganizational relationships, citing environmental turbulence as a determinant of increased connection between organizations in a system. Aldrich (1979) expanded this link, noting that environmental complexity and capacity and the heterogeneity and concentration of the organization system affects the density and rate of interorganizational relationship formation.

Recently, increasing scholarly attention has been devoted to understanding how managers unlock the social capital inherent in interorganizational networks to adapt to environmental change (e.g., Anand, Glick, and Manz 2002, Kraatz 1998). But less attention has been paid to the adaptive capacity, nature, and process of interorganizational networks (Powell and Smith-Doerr 1994). As social structures embedded within the environment, networks may also adapt to change. The lack of emphasis on network adaptation in the literature may reflect “a lack of understanding of why and how new social units emerge and adapt” in the field of organization studies (Aldrich 1999:1). To fill this gap, Aldrich (1999:1) has called for an increased examination of “the ongoing creative ferment in human societies and the particular realizations of it.”

A specific network process that has been described in the literature (e.g., Hakansson and Snehota 1989) but little explained is the transition of an informal interorganizational network, based on fluid personal interactions into a formal interorganizational network, demarcated by clearly defined, socially constructed boundaries separating members from non-members. Coleman (1988) has identified that networks may differ in their degree of openness. Most of the scholarship concerning network closure has focused on how it provides opportunities and constraints for members within the network. For example, some have described how network closure enhances inter-network social capital and information sharing (e.g., Uzzi 1997). Others have pointed to the negative effects of network closure, such as the stifling of information, decision-making, and innovation (e.g., Portes and Landolt 1996)

Few researchers have examined the determinants of network closure or how loose, informal networks may evolve into more formalized structures. In one of the few studies exploring this phenomenon, Coleman and Barton (1982) observe that innovation pressures may force informal networks to become goal-directed, forming specific boundaries and establishing norms within the network. Little is known about this process, including how these boundaries are established, how insiders and outsiders are defined in the process, how the boundary is maintained over time, and if other environmental changes or pressure might elicit this same network “hardening” response.

This study examines the adaptation of exporter networks to environmental change in an emerging market. Globalization fuels increasing change and uncertainty, particularly in emerging market economies. As protectionist barriers crumble, local firms—once privy to limited competition with local rivals or guaranteed monopolies—must often compete with seasoned, deep-pocketed multinational “giants” in their home market (Dawar and Frost 1999). As the domestic market share potential of local firms is threatened, revenue opportunities in foreign markets may become increasingly attractive, and in some cases, become key to firm survival (Bartlett and Ghoshal 2000). Lacking foreign market information and knowledge about export processes, procedures, and law, many firms—particularly the small- and medium-sized enterprises that comprise the majority of emerging market firms—find it daunting to turn export interest into export activity.

Export promotion organizations (EPOs) provide local firms access to export expertise and know-how, offer export planning and preparation assistance, and support foreign market activity through

organizational help and cost sharing (Serinhaus and Botschen 1991). EPOs often serve as network catalysts, encouraging the creation of interorganizational networks (Chetty and Patterson 2002) to encourage interfirm information sharing, learning, and cooperation. The bulk of research concerning EPOs examines how exporters' awareness and use of EPO services impacts firm-level export sales. Little is known about the process by which EPOs are formed or how they create inter-firm linkages (Gillespie and Riddle 2002).

Borsch and Arthur (1995) have argued that greater contextual insights are needed to enhance understanding of organization and individual action within interorganizational networks. These authors have called for qualitative studies to shed light on this issue. Because of the lack of adequate theory to guide research on network adaptation to environmental change, I chose to undertake a case study to explore how a specific network has responded to changes in its environment. The Istanbul clothing cluster provides the unusual opportunity to examine how a network of exporters adapted to two significant environmental changes: (1) an abrupt national economic shift from import-substitution to market liberalization and export promotion and (2) the resulting sharp increase in the number of firms—local and global—operating in the local market. *Türkiye Giyim Sanaycileri Derneği*, the Turkish Clothing Manufacturers' Association, (TCMA), began as an informal, fluid friendship network in the late 1960s, during Turkey's import-substitution period. Over time, this network grew, formalized, and developed an increasingly difficult-to-penetrate social boundary bifurcating exporters within the Istanbul clothing cluster into network *insiders*—TCMA members—and *outsiders*—those not members of the TCMA network. This case study explains how this gradual network closure served as an adaptive network response to an increasingly uncertain and threatening competitive environment.

The study was designed to investigate three major research questions. First, when, how, and why did a boundary form within the informal network of the Istanbul clothing cluster and how has that boundary been defined and maintained through time? Second, what effect has the boundary had on the composition of insiders versus outsiders? Third, are both insiders and outsiders aware of the boundary's existence? Do they describe it in the same way?

This paper begins with a brief description of the changes that transpired in the Istanbul clothing cluster environment in the latter part of the twentieth century. Next, description of the three-phased research design and case findings are provided. Then, a model and testable theoretical propositions derived from the case study are developed. The paper concludes with a discussion of implications for managers, policymakers, and future research.

The Istanbul Clothing Cluster Environment

In 1923, textiles were chosen by the nascent Turkish government as the first industry priority for investment and growth. By the 1960s, import-substitution and other development-oriented policies enabled textiles to become Turkey's prime trading concern. Foreign exchange crises due to oil shocks in the 1970s motivated Turkish economic planners to move toward a more liberalized and export-oriented economy. On January 24, 1980, Turgut Özal's government announced a major economic program, which liberalized trade and enacted several export promotion policies, such as export tax rebates, tax exemptions on final goods, relaxed export credits, and foreign exchange allocations for imported input goods (Togan and Balasubramanyam 1996). Market liberalization and export-promotion policies had a profound effect on the Turkish economy throughout the later part of the twentieth century. Between 1979 and 1999, total Turkish exports rose from US\$757 million to US\$35 billion (*Foreign Trade Statistics 1999*). Exports as a percentage of GNP rose from four percent to 20 percent, industrial goods' share of total exports increased from about one-third to three-quarters, and Turkey's share of total exports tripled during this time (*Foreign Trade Statistics 1999*). Turkey experienced "an export-led economic recovery at a time of

substantial deterioration in the country's terms of trade and generally weak demand conditions in the world's major markets" (Pomfret 1990: 295). This "export boom" has been recognized as an economic "success story" (Pomfret 1990: 295) and has inspired macroeconomic studies of the Turkish experience at this time (e.g., Krueger and Aktan 1992).

The Istanbul clothing cluster played a key role in the country's export success. Since Ottoman times, the bulk of Turkey's clothing production was centered in the port city of Istanbul (Quatert 1993). In 1979, Turkey exported less than US\$25 million in clothing exports, and a handful of companies—mostly in the Istanbul area—comprised the industry (*Istanbul Textile and Clothing Exporters' Union Textile and Clothing Statistics 1999*). By early 1999, Turkey had become the world's sixth largest clothing exporter, exporting approximately US\$6.5 billion each year, and its industry—still primarily concentrated in Istanbul—had grown to include over 5,000 exporting firms (*Istanbul Textile and Clothing Exporters' Union Textile and Clothing Statistics 1999*). Exports from these firms are composed chiefly of cotton products but also include synthetic and cotton blends and wool and wool blends (Ilyasoglu and Duruiz 1990). Knit clothing and woven clothing constitute the two broad categories of clothing exports.

Methods

Lévi Strauss (1966:17) describes multi-method research as a "bricolage, that is, a pieced together, close-knit set of practices that provide solutions to a problem in a concrete [research] situation." Nelson et al (1992:2) note that when constructing the bricolage, the researcher's "choice of research practices depends upon the questions that are asked, and the questions depend on the context." Methods are not set in advance; they are deployed in reaction to discoveries made chronologically during the research process (Eisenhardt 1989). The result of this bricolage, according to Denzin and Lincoln (1992: 4) is "a complex, dense, reflexive, collagelike creation that represents the researcher's images, understandings, and interpretations of the world or phenomenon under analysis."

I conducted nine months of ethnographic fieldwork in Istanbul during three visits (May-July 1997; June-August 1998; and February-May 1999) as part of a larger study examining the export promotion organizations within the Istanbul clothing cluster. I employed the *bricolage* data collection approach to acquire an understanding of TCMA's adaptation to environmental change. To capture a multi-dimensional view of TCMA, three distinct points of view were pursued during the fieldwork experience. Specifically, the perspectives of EPO officials and founders (wherever possible), Turkish clothing exporters (both TCMA members and non-members), and third-party entities, such as non-EPO government officials, foreign diplomats, foreign buyers, and Turkish print journalists were sought. Data collection was both quantitative and qualitative and included in-depth interviews, a focus group, and a face-to-face survey. Specific descriptions of each of the methods employed are provided below.

Survey: TCMA Population.

A face-to-face survey was designed for the TCMA population to explore TCMA members' participation in export-promotion organizations in Turkey. The questionnaire included several measures pertinent to this study. First respondents were queried about the number and nature of social ties to TCMA members prior their acquisition of TCMA membership. The survey also included a battery of firmographic questions (firm age, product line, top three export markets, number of employees, annual gross sales, export sales,) and demographic items (family members employed in textile industry, number of foreign languages spoken, ethnicity, religion, age, and gender).

The survey was originally written in English and was backtranslated into Turkish (Brislin 1980). A bilingual individual whose mother tongue is Turkish translated the original questionnaire. An independent, bilingual individual whose mother tongue is English translated the instrument back into English. Discrepancies were discussed and resolved in an effort to attain semantic equivalency.

A sampling frame of 5,313 Turkish clothing exporters was acquired from the semi-private sector EPO, the Istanbul Textile and Clothing Exporters' Union (ITCEU). ITCEU's list is deemed a representative enumeration of the population of exporters within the Istanbul clothing cluster, since every Turkish clothing exporter is required by law to register with ITCEU. An enumeration of TCMA's 330 members was acquired from the leadership of the private-sector EPO, the Turkish Clothing Manufacturers' Association (TCMA). It was used as the frame for the TCMA sub-sample. A matching exercise was performed between the ITCEU and TCMA lists to extract all TCMA members from the ITCEU list, thus yielding a frame of TCMA nonmembers. Both the TCMA member and nonmember frames were purged of records of non-clothing exporters and clothing exporters not residing in Istanbul. After these sample preparation procedures, the TCMA member list contained 303 records. In order to control for firm size effects in sub-sample selection, the enumeration was divided into five equal strata, and 10 nonmember firms were chosen within each stratum by random selection. Respondents were screened to ensure they were clothing exporters. The sample was refreshed until 50 interviews were completed.

Prior to the survey launch, three TCMA officials created a survey cover letter endorsing the project and encouraging their members to participate in the study. But several days after the survey launch, TCMA withdrew from the study. During the execution of the project, close communication was maintained between TCMA and the researcher. But in late April, these contacts suddenly reported that they had been instructed to cease and desist from project participation. Although it is always within the purview of any organization to withdraw from a research study, it was unclear what motivated TCMA's exit from this project. The TCMA member sub-sample was terminated after 12 of the 50 surveys were completed. Since this represents only 4 percent of the total TCMA population, survey results for this sub-sample were treated as representative data and were analyzed instead as qualitative data.

After TCMA's departure from the project, a profile of TCMA firmographic characteristics was acquired through the analysis of the 1998 TCMA Membership Directory, published by TCMA. Among TCMA's 400 members, 263 firms provided information in this directory regarding company annual total sales, export sales, export destination, product line, number of employees, and year of founding. Of the 263 reporting information, 202 were clothing producers (all others eliminated either consisted of machinery/equipment producers or advertising companies). Thus, statistics reported here represent a sample of 51 percent of TCMA members. Since the provision of information for this directory was voluntary, it is possible that a selection bias may be present, as larger and more established firms may have been more willing to disclose information than smaller, new firms. TCMA leaders, however, maintained in interviews that this directory was representative of TCMA membership as a whole (TCMA Official).

Survey: Non-TCMA Population.

Next, I adapted the survey and administered it to explore how outsiders perceive the TCMA network. Survey questions were included in the non-member instrument to query respondents' views of TCMA. Respondents were asked if they were aware of TCMA (aided basis). Those aware of TCMA's existence were asked if they were offered TCMA membership would they accept it, and their reasons for answering this question positively or negatively were probed via an open-ended question. The survey instrument was backtranslated using the same approach that was applied to the TCMA version of the survey.

To generate the non-TCMA sample, 250 non-TCMA members were selected from the non-member enumeration of 4,865 non-TCMA member firms remaining after TCMA firms were extracted from the list of exporters provided by the Istanbul Textile and Clothing Exporters Union. The non-member enumeration was arranged from largest to smallest export firm (by 1998 annual export sales). In order to control for firm size effects in sub-sample selection, the enumeration was divided into five equal strata, and

50 nonmember firms were chosen within each stratum by random selection. The sample was refreshed until 50 interviews were completed with firm owners of companies within each stratum.

Data collection took place between April 1 – May 15, 1999. A total of 242 nonmember surveys were completed in this study. The overall response rate was 45 percent (32% for Strata 1, 35% for Strata 2, 38% for Strata 3, 43% for Strata 4, and 79% for Strata 5 from largest to smallest firms). The 242 respondents were weighted to reflect a sample of 250 respondents, with each stratum contributing 20 percent of the total number of respondents.

In-depth Interviews

Over 30 in-depth interviews were conducted to gather insider and outsider perspectives on TCMA and information about the political, economic, and social/cultural environment of the Istanbul clothing cluster. Multiple interviews were conducted with TCMA and government officials to gather information about the organization's emergence and development.

Focus Group

A focus group with four, long-time TCMA members was conducted to explore TCMA's selective and exclusive membership acquisition process in order to better understand TCMA membership acquisition norms and their possible effect on TCMA's organizational success. Questions included in the discussion guide encouraged participants to describe the difference between TCMA members and non-members, the characteristics an aspiring non-TCMA member should have, and the process a nonmember must go through to gain membership. Participants were also asked to describe and explain the benefits they believe they gain from TCMA. The two-hour focus group took place April 21, 1999.

In the next section, I will describe fieldwork findings as they pertain to three key issues: the development of the TCMA boundary, its effects, and how it is perceived by exporters located inside and outside the TCMA network.

Boundary Development

Interviews with TCMA officials and the focus group of longtime TCMA members revealed two themes about Turkish clothing exporters' experiences during the last quarter of the twentieth century: (1) increasing uncertainty and competitive rivalry and (2) an increase in TCMA formalization and boundary hardening. In these discussions, I observed that these phenomena generally seemed to have developed in parallel, characterized by three distinctive temporal periods, 1975-1980, 1980-1985, and 1985-1999.

1975-1980

In the mid-1970s, a group of four clothing firm owners in Istanbul often met informally to discuss the issues and problems they confronted in their business activities. At one of these meetings at the Park Hotel in September 1976, the group of four discussed their fears that recent government import-substitution policies prohibiting the importation of sewing machines would negatively impact their exports. At that time only one supplier produced sewing machines in Turkey. This company's product line was new, and the sewing machines produced were based on low-quality, standard designs (FG¹ Participant #1). The group of four firm owners feared that these sewing machines would not meet the quality and design standards required by their foreign buyers. They "concluded that without some sort of unification [of clothing exporters], it would not be possible to do anything; it would be impossible to pressure Ankara to change [this policy]."

After of this meeting, the informal friendship network formalized, and the four clothing exporters officially founded TCMA. Membership in TCMA then expanded to include a handful of textile and

clothing exporters, each with a loose personal connection to one of the founding members. By 1977, TCMA successfully lobbied the government to lift the sewing machine import restrictions.

The importance of preexisting social ties with TCMA members was explored in the focus group of longtime members of TCMA, all of whom joined TCMA before 1980. During the focus-group discussion, participants explained that they had known one another for years because of the close ties between their families:

FGP3: "...My father was a tailor."

FGP1: "My father used to sell goods to his father [points to *FGP4*] once."

FGP3: "My father used to sew for his father [points to *FGP1*]."

FGP2: [smiling] "My father can beat up yours any day!" [Everyone laughs, because this is the only person in the group whose father was not employed in the industry].

1980-1985

The Turkish government's January 1980 export-promotion announcement and the emphasis policymakers placed on the development of the textile export industry hurtled TCMA into a more prominent role in the 1980s. During this decade, TCMA membership roles ballooned from "a dozen or so industrialists to several hundred in a short period of time" (TCMA Official). This sharp increase in membership was also echoed in the focus group and in interviews with TCMA members. Figure 1 illustrates the striking contrast in the number of market entrants prior to and directly after the 1980 government announcement. This was the first period of sharply intensifying local competition in the industry.

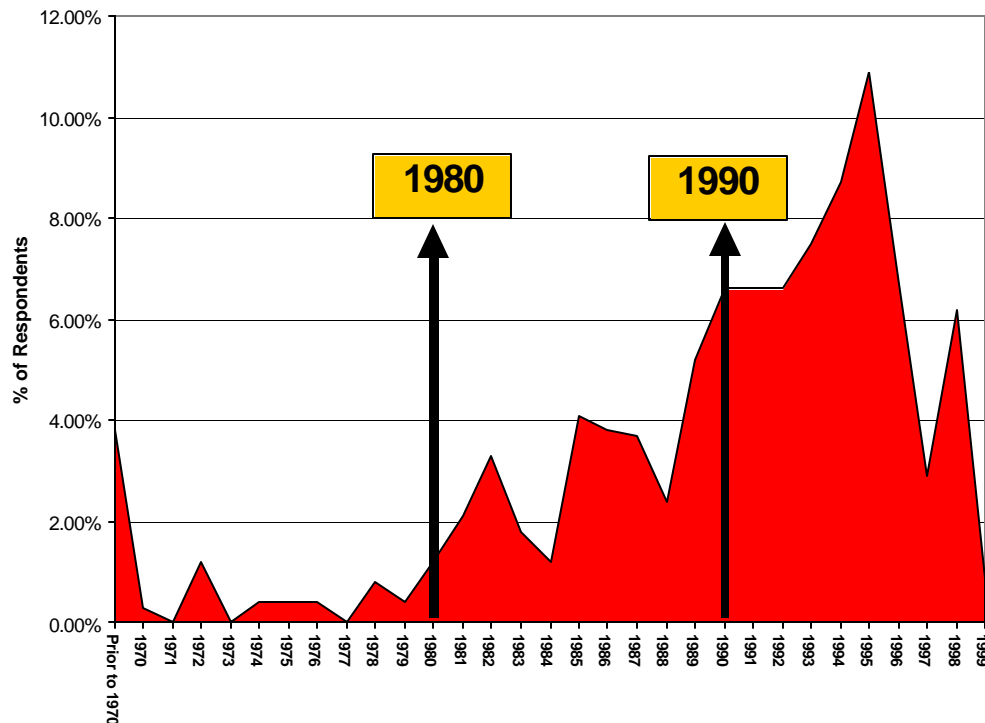


Figure 1: New Venture Growth in Istanbul Clothing Cluster, 1970-1999

The potential benefits and costs of TCMA membership also increased during this period. Widespread abuse of the export incentive system in the 1980s fostered a reciprocal relationship between

TCMA and the government. Thus, TCMA membership provided more direct input into government policymaking at a time when local competition was on the rise. But, as authors Biddle and Milor (1997) note, this newly acquired benefit came at a price. During the 1980s, the Turkish government “allowed TCMA to participate in the decision-making process [regarding industrial policy] in exchange for their willingness to monitor and discipline those members who abused the incentive system.” Focus group participants explained that in the early-to-mid 1980s, TCMA applicants were more closely scrutinized to determine if they could be trusted to follow the rules of the incentive system. Clothing firm manufacturers that desired TCMA membership were increasingly required to accompany a TCMA member that they already knew to several TCMA meetings and get to know other members before requesting that his/her membership application be considered. Clothing firm manufacturers who did not know an existing member had an increasingly difficult chance of gaining entry into TCMA.

1985-1999

Throughout the 1970s and 1980s, much of the textile production formerly generated in developed countries had migrated overseas to lower-cost foreign markets. A plethora of developing countries had invested in export-oriented textile production, and developed countries, the major consumers of textile products, instituted numerous policies to stem the import tide and protect their dwindling domestic industries. Buyers were faced with a multitude of potential sourcing options, and producers struggled to differentiate themselves in such a competitive global marketplace. Governments, export promotion organizations, trade associations, and other organizations sought to cultivate a positive country-of-origin reputation in the mind of large textile buyers and lobbied in international arenas for increased access to markets (Dickerson 1991). Competition also continued to intensify within Turkey. Throughout the latter part of the 1980s and the 1990s, dramatic new venture growth within the industry continued (see Figure 1).

TCMA took a leadership role in representing the interests of the national industry in international forums during this period. For example, TCMA was the first to represent the Turkish clothing industry at international trade fairs. The association arranged all aspects of the exhibition for its members. In 1994, TCMA organized the first of several annual International Fashion and Textile Fairs in Istanbul, featuring Turkish and foreign clothing producers and attracting buyers and the press from all around the world. In 1996 the International Apparel Federation held their annual conference in Istanbul, symbolizing Turkey’s increased role in the global textile and apparel community. One year later, TCMA became a member of the prestigious European Textile and Ready-Wear Organization (EURATEX), which represents the interests of the textile and clothing industry in European Union and international negotiations.

As a result of these efforts, TCMA is recognized internationally and nationally as the “face of the Turkish clothing industry” (Economic Officer, US Embassy). TCMA affiliation signals trust and quality to foreign buyers. In interviews, several TCMA members displayed business cards with the TCMA logo shown more prominently than their own company logo. One informant explained, “I’m carrying this business card [with the TCMA logo] with me all the time. Why? Not because it shows my blood type! It’s a reference point.” TCMA’s leaders have also pronounced to the press that “TCMA is the most important civil organization in Turkey” (“New President at TCMA”). A British buyer I interviewed at the Istanbul Fashion Fair suggested that “you know you can trust the TCMA fellows. The others? I don’t know about them. But everyone knows about TCMA.”

TCMA’s international and national reputation continued to attract the interest of the many new ventures entering the industry during this period. In the mid-1980s, TCMA leaders began to encourage the Turkish government to create a semi-private organization like TCMA—but oriented toward the needs of new and SME firms. In response, the government created the semi-private Istanbul Textile and Clothing Exporter Union in 1986 and members are required to pay nominal annual dues. Ten years later, the

Turkish government passed decision 95/7623 mandating that all exporters of textiles or clothing in Istanbul become members of this organization. Legislated membership for all exporters expanded the organization's budget. It also relieved some of the membership demand for TCMA, allowing TCMA to further control TCMA membership.

Focus-group participants explained that membership acquisition became increasingly routinized in the 1990s. Participants noted that an initiation fee and annual dues were required to acquire TCMA membership. Focus-group participants also maintained that applicants must also provide the TCMA board of directors with two letters of recommendation from existing TCMA members. One focus group participant volunteered that these letters are not taken lightly among TCMA members, stating "there have been people who kept calling me and asking for a recommendation letter to become a member, but personally I have not vouched for anyone I did not know very well."

The TCMA surveys returned also suggest a pattern of increasing social ties between TCMA members and member applicants in the 1990s. The six respondents who had joined TCMA before 1990 said that they had five or fewer social ties, most of whom were business contacts or close friends. But the two respondents who had become TCMA members in the late 1990s respond to these questions with percentages rather than counts (and did not specify type of social tie). One stated that he knew 25 percent of TCMA members and another indicated that he knew 30 percent of TCMA members before becoming a member of the organization himself.

Next, I will describe how the intensification of TCMA network closure has impacted the composition of firms inside and outside the network.

Boundary Effect

There are over 5,000 clothing exporters in Istanbul, but only 400 have become TCMA members. In order to create a firmographic profile of TCMA member companies, the characteristics of member firms reported in TCMA's *1998 Membership Directory* were analyzed; results appear in Table 1.

Firmographics	% of TCMA Firms* n=202	% of Non-TCMA Firms n=250
<i>YEAR OF FIRM ESTABLISHMENT</i>		
Prior to 1980	38	9
1980-1989	54	28
1990 or later	8	63
<i>EXPORT SALES</i>		
Group 1 (Low)	28 (< \$100,000)	18 (< \$65,800)**
Group 2	9 (< \$249,999)	22 (< \$263,199)
Group 3	10 (< \$499,999)	14 (< \$526,399)
Group 4	11 (< \$999,999)	18 (< \$1,052,799)
Group 5 (High)	41(> \$1,000,000)	28 (= or > \$1,052,800)
<i>NUMBER OF WORKERS</i>		
Less than 10	2	31
10-25	5	24
25-49	10	14
50-99	22	17
100+	39	14
<i>EXPORT DESTINATION</i>		
EU	96	73
Other OECD	55	22
United States	22	22
Middle East	6	22
North Africa	6	8
CIS Countries	3	21

*Year of firm creation, number of workers, and export destination are taken from the 1998 TCMA directory. Export sales figures are from 1998 export statistics provided by ITCEU.

**The survey employed breaks utilizing values in Turkish Lira, therefore the numerical breaks as expressed in US dollars are not typical export sales breaks.

Table 1: Firmographic Comparison of TCMA and Non-TCMA Members

These data indicate that the majority of TCMA's members are older firms. They also tend to be fairly large in terms of sales and number of employees, and most TCMA members exclusively send their goods to European Union markets. Although TCMA exporters account for four percent of all Turkish clothing exporters, their exports account for almost one-quarter (22 percent) of all Istanbul clothing exports (*ITCEU 1998 Export Statistics*). A substantial proportion (41 percent) individually exported over US\$1 million worth of goods in 1998. Similar results were found among the small sample of TCMA surveys returned (see Table 2).

	Resp.1	Resp.2	Resp.3	Resp.4	Resp.5	Resp.6	Resp.7	Resp.8
FIRMOGRAPHICS								
Firm Age	11 yrs.	46 yrs.	21 yrs.	15 yrs.	25 yrs.	13 yrs.	11 yrs.	13 yrs.
Products	Unisex Apparel	Fabric	Apparel for Men	Unisex Apparel	Apparel for Men, Women, and Children	Apparel for Men, Women, and Children	Apparel for Men and Women and Fabric	Apparel for Men, Women, Children and Fabric
#1 Export Mkt.	GER*	EU*	GER*	EU*	GER*	EU*	GER*	GER*
#2 Export Mkt.	FRA*	No answer	US*	No answer	ENG*	US*	ITA*	FRA*
#3 Export Mkt	UK*	No answer	UK*	No answer	BEN*	No answer	UK*	HOL*
No. Employees	325	1000	260	780	600	No answer	60	80
Annual Sales	TL500 million+	TL 500 million+	TL 500 million+	TL 500 million+	TL 500 million+	TL 400 million- TL 500 million	TL 500 million+	TL 500 million+
% Export Sales	75%	75%	80%	46%	99.5%	70%	100%	30%
DEMOGRAPHICS								
Family in Industry	No	No	Yes Mom	No	Yes Father	Yes Father	No	Yes Father
Education	College	Post Grad	High School	College	College	Post Grad	College	College
Foreign Languages	ENG GER	ENG GER	ENG GER	ENG	ENG GER	ENG GER	NONE	ENG
Religious Identity	Muslim	Muslim	Muslim	Muslim	Muslim	Muslim	Muslim	Muslim
Ethnic Identity	Turk	Citizen of the World	Turk	Turk	Turk	Turk	Turk	Turk
Age	36	48	49	46	34	44	48	32
Gender	Male	Male	Male	Male	Male	Male	Male	Male

**BEN=Benelux countries; EU=European Union countries; GER=Germany; FRA=France; HOL=Holland; ITA=Italy; UK=United Kingdom; US=United States*

Table 2: Firmographic and Demographic Profile of TCMA Survey Respondents

The 250 surveyed non-TCMA exporters reveal a different firmographic profile than their TCMA counterparts (see Table 1). Most non-TCMA members own newer companies, while TCMA is comprised of older firms. The majority of non-TCMA members are much smaller than TCMA firms in terms of their companies' number of workers and total export sales. Although the European Union is a common export destination for both non-TCMA members and TCMA members, the export destinations of non-TCMA members are more diverse. Non-TCMA members also send their goods to other markets in substantial numbers, particularly to developing countries.

Fewer Non-TCMA members are college-educated, and substantial proportions completed their education in specialized commercial trade schools (see Table 3). Smaller proportions of non-TCMA members speak English fluently, yet they are much more likely to speak a non-European Union language. Although the TCMA sample is too small to be deemed representative, it is striking to note the substantial differences between the demographic results of the TCMA and non-TCMA surveys (compare Table 2 and Table 3).

	Percent of Survey Respondents n=250
<i>RELATIVES WITH EXPERIENCE IN TEXTILES</i>	
Have Relatives with Experience in Textiles	24
Current Generation is First Generation	80
Current Generation is Second Generation	17
Current Generation is Third or Greater Generation	3
<i>HIGHEST LEVEL OF COMPLETED EDUCATION</i>	
Less than High School	13
Commercial High School	17
Other High School	27
College or More	43
<i>FOREIGN LANGUAGE FLUENCY</i>	
None	32
<i>EU LANGUAGES</i>	
English	49
French	8
German	10
<i>NON-EU LANGUAGES</i>	
Arabic	13
Bulgarian	2
Kurdish	2
Polish	1
Russian	8
MEAN NUMBER OF LANGUAGES (<i>among those fluent in a language other than Turkish</i>)	1.44 (.82)
<i>ETHNICITY*</i>	
Armenian	2
Jewish	1
Turkish	90
Other	5
<i>RELIGION</i>	
Christian	3
Jewish	2
Muslim	95

<i>AGE</i>	
Under 30	14
30-49	74
50+	12
Mean Age	38.66 (8.56)
<i>GENDER</i>	
Male	92
Female	8

*Five of the 250 respondents (2%) did not answer this question.

Table 3: Demographic Characteristics of Firm Owners: Non-TCMA Exporters

This sharp difference in TCMA and non-TCMA exporters raised the question: are firms inside and outside the TCMA network aware of these differences and the TCMA boundary? These perceptions were probed and compared throughout the study and the findings are explored below.

Insider and Outsider Boundary Perceptions

Insider Perceptions

At first, TCMA officials and focus group participants were uncomfortable explaining if there were differences between TCMA members and non-members. When asked this question, the secretary general did provide a direct answer but said, “once you (TCMA members) deal with a very important issue and settle it, the right is for all of them (non-TCMA members). So they actually do not need to become our members because, you see, they may use whatever comes out of our work.”

In the early portion of the focus-group discussion, participants were asked to describe the characteristics of TCMA members and to explain if they were somehow different from other firms operating in the sector. At first, participants vehemently denied any membership exclusion, claiming, “Our organization is not like a club. There are no strict requirements to becoming a member. It is open to everyone.” Another participant added, “This organization does not try to be a gentleman’s club. Quite on the contrary, its aim is to widen its representation. That is why membership attempts are not turned down that easily.”

Throughout the first thirty-two minutes of the focus-group discussion, participants employed the words “organization” (*organizasyon*) and association (*dernek*) to describe TCMA. Then, when describing the types of firms that choose to become a TCMA member, a focus-group participant utilized the word “club” (*kulüp*) to describe TCMA, then quickly referred to it as an “organization”:

“In Istanbul, we have around a thousand people active in this sector, about 380 of them are members to our club, our organization. Some of the rest are still our friends but even if they enjoy the benefits of our services, they prefer not to become members. This is a group of people who have not grasped the idea that ‘from unity comes strength’ⁱⁱ and who have not included themselves in the strategic development we have initiated in the sector.” (FGP3).

Throughout the ensuing eleven-minute discussion concerning who is a TCMA member and who is not, three of the four participants referred to TCMA as a “club” without making reference to earlier denials of TCMA’s club-like nature. When the discussion turned to the activities of TCMA, all participants reverted to using “organization” and “association” in reference to TCMA and continued this pattern throughout the remainder of the conversation.

In the last forty minutes of the focus group, when asked to write down five words describing TCMA members, instead of writing their responses, the participants initiated a discussion, saying:

FGP3: “Ok, yes, there is a difference. At last you will make me say it. I will say it. Ok. This is the situation. The choice between individualistic living and collective living shows cultural difference [emphasis].”

FGP4: “Very much so.”

FGP3: “Here [points to all in the room], this is culture. We [emphasis] are culture.”

Moderator: “Can you explain what you mean by ‘culture?’”

FGP3: “It shows the difference, don’t look for any more differences. I mean, it is an issue of consciousness. In other words, if you have a collective, living consciousness, and if you are mature enough to understand the pros and cons of it [this consciousness], in other words, if you are modern and democrat, then there is no reason why you should not be a member of TCMA.”

FGP2: “Our TCMA is a much more homogenous group than the American Apparel Manufacturers’ Association. It hardly has an example [similar to it] anywhere else in the world.”

When probed to describe this “consciousness” further, a participant explained, “This is a collective organization; it is a collective consciousness. This collective consciousness is, in fact, an attribute of globalization. [In the global marketplace] you don’t have a chance by yourself.”

The importance of a “consciousness” of collective action was also echoed in interviews with TCMA members. One member explained that this consciousness was not common to all clothing producers stating, “those that join TCMA have a consciousness of membership, of belonging. Out of 5,000 [exporters], how many have the consciousness to join such an organization? If you have a better consciousness, you work with them [TCMA]” (Former President of TCMA). The secretary general of TCMA linked the paying of association dues to this consciousness, observing,

“when you pay a due, it’s a show of conscience, it is an awareness, that to be able to get more information—or specific information—you have to become a partner...these 400 are the ones who do have the awareness, the consciousness of becoming a member of an association.”

“Because in our sector those who employ 40,000 and those who employ 400 or 1400 people have the same problems. But because of cultural differences, it looks like they have different problems...The aim [of TCMA] is to make those who are unaware aware by explaining it [the problem] to them. Our homogeneity provides this. I mean, the leader...warns [the] others.”

When interview respondents and focus group participants were queried about the benefits that they accrue from their TCMA membership, many linked TCMA benefits to this collective consciousness concept. For example, several respondents and two of the focus group participants mentioned that TCMA members often seek one another’s help when facing a problem in their business, and an individual member’s difficulties are often interpreted as a difficulty of the group. A TCMA official explains, “whenever a problem occurs for them [a TCMA member] in their company, they just give us a ring...once he [a TCMA member] puts forward such a problem, we make it a general issue. So in a week’s time, it becomes a 400 member issue.”

According to a TCMA official, the strong social ties between TCMA members also facilitate inter-firm collaboration. For example,

“a buyer calls and he orders something like 100,000 pieces. Well, he says I can only provide 50,000 under these circumstances, but let me find you somebody. He directly passes it to three or four of his friends and lets them know that. This is a very strange sort of solidarity. Especially

among the traditional ones...It is a kind of chain. That person knows three people and the other knows another three.”

TCMA members have also collaborated to search for capital-sourcing alternatives. Faced with astronomical short- and long-term interest rates, long waiting periods for access to loaned funds, and extremely conservative lending policies among local Turkish banks, TCMA sought financing from foreign banks in 1999 (“Marriage Will Save Textile Sector”). TCMA’s efforts resulted in the creation of a company that would consolidate and distribute US\$2.5 billion in lower-interest rate loans received from a consortium of five European banks.

Outsider Perceptions

Table 4 summarizes how non-TCMA members perceive the TCMA network.

Non-TCMA members aware of TCMA	77% (n=250)
Aware of TCMA but would <i>refuse TCMA membership if offered</i>	86% (n=193)
Of those refusing TCMA membership, <i>believe membership would be denied</i>	56% (n=166)
Of those believing their TCMA membership would be denied, <i>because would not be invited to join in the first place</i>	19% (n=93)
Of those believing their TCMA membership would be denied, <i>because TCMA is “not for my type of firm”</i>	12% (n=93)
Of those believing their TCMA membership would be denied, <i>because of lack of TCMA social connections</i>	12% (n=93)
Of those refusing TCMA membership, <i>expressed concerns about conditions of TCMA membership</i>	5% (n=166)
Of those refusing TCMA membership, <i>expressed suspicion of TCMA Membership</i>	5% (n=166)
Of those refusing TCMA membership, <i>said “could not afford” TCMA membership</i>	3% (n=166)

TABLE 4: Non-TCMA Members Perception of the TCMA Network

Awareness of TCMA is fairly high within the industry---even among nonmembers. Seventy-seven percent (193) of Turkish clothing exporters who were not TCMA members were aware that TCMA existed. Many of these TCMA non-members perceive the organizational boundaries demarcating the social space between TCMA members and non-members. Among the 193 TCMA nonmembers surveyed who were aware of TCMA, 166 (86 percent) claimed that they would not accept TCMA membership if they were offered membership today. The majority of those refusing membership (56 percent) cited that they would not join TCMA because they would somehow be barred from participating or being invited to join the organization. For example among those refusing TCMA membership, 19 percent claimed they “would not be invited” to join TCMA, and 12 percent stated that TCMA is “not for [their] type of firm.” Twelve percent stated they “did not have the social connections” to join. Five percent voiced “concern about the conditions” of membership, and an additional five percent stated they were “suspicious” of membership. Three percent maintained that they “could not afford” membership.

Discussion and Model Development

The case study of TCMA's evolution in the latter part of the twentieth century provides an opportunity to examine how interorganizational networks adapt to environmental change. The findings suggest that not only do networks adapt to environmental change but their response may also in turn promote the adaptive response of firms within the network (see Figure 2).

In this section, I employ findings from the case study and propose a model of the relationships between environmental change, network adaptation, and firm adaptation.

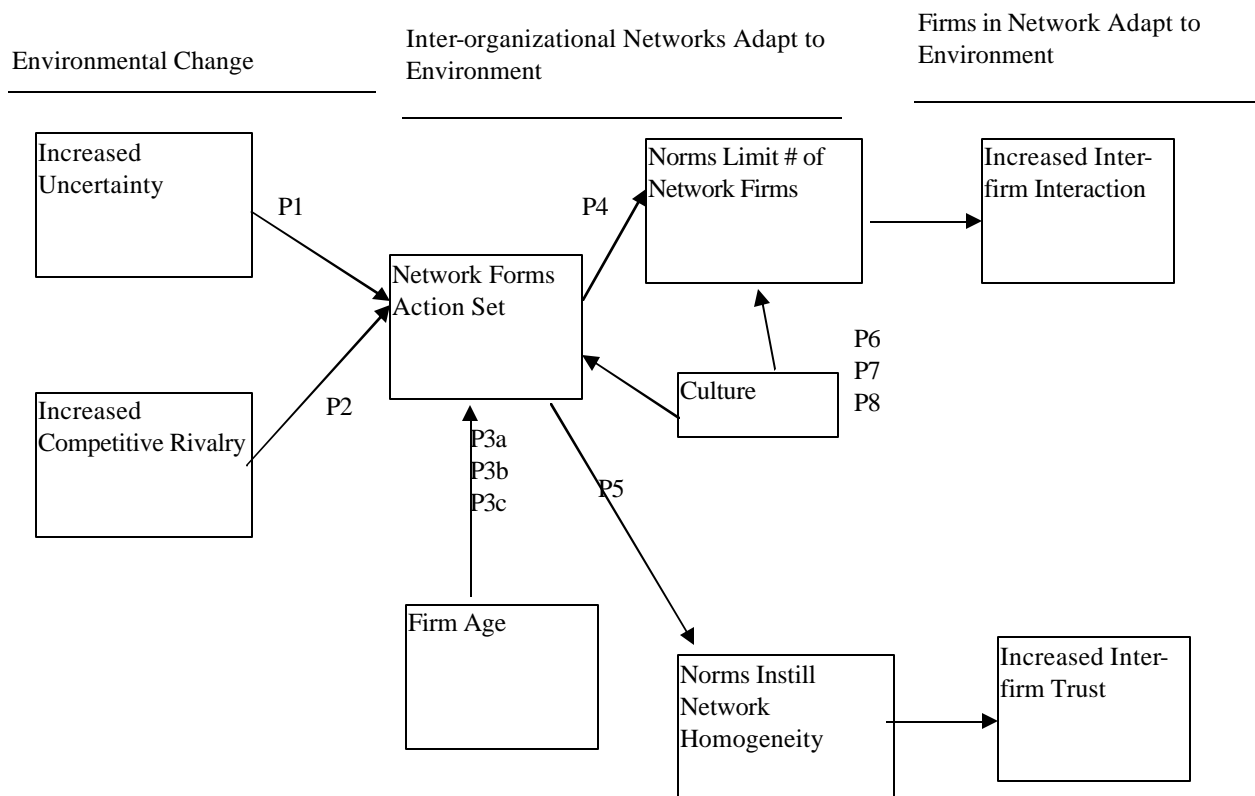


Figure 2: Proposed Model

Environmental Adaptation and Network Formalization

Aldrich (1979) noted that firms may mobilize, creating “action sets,” an alliance created to accomplish specific objectives. But he did not make link between action set formation and environmental conditions. Others have noted that firms may seek to reduce market uncertainty by creating cooperative

networks (e.g., Axelrod 1984, Williams 2001). Weber ([1922] 1978) maintained that inter-firm cooperation would increase in response to increases in competition. Network research noted informal network formalization but has focused primarily on the consequences of this closure (Coleman 1988).

This case study explained how an informal network in the Istanbul clothing cluster responded to environmental uncertainty by formalizing the relationship among network member firms. Turkish clothing exporters, facing increasing environmental uncertainty and substantial increases in domestic and international competitive rivalry, formalized a friendship network, forming an action set to combat these threats. Thus, this case study suggests the following propositions:

- P1: Faced with increased uncertainty, informal networks will mobilize into action sets.
- P2: Faced with increased competitive rivalry, informal networks will mobilize into action sets.

Studies examining intra-network, firm-level response to environmental change have observed that older firms tend to demonstrate more adaptive capacity than their younger counterparts (Granovetter 1982). The informal network that founded TCMA was comprised of some of the oldest firms in the industry. Greater adaptive capacity may predispose older firms to forming action sets in response to environmental change or may enable them to form action sets more quickly and efficiently. Thus,

- P3a: Informal networks with large numbers of older firms may be more likely to form action sets.
- P3b: Informal networks with large numbers of older firms may be able to form action sets more quickly than informal networks dominated by younger firms.
- P3c: Informal networks with large numbers of older firms may be able to form action sets more efficiently than informal networks dominated by younger firms.

Environmental Adaptation and Network Boundary Hardening

Research regarding intra-network, firm-level response to environmental change has also noted that smaller and more homogeneous networks are more successful at promoting adaptation among firms within the network. As environmental threats intensify, network members' desire to limit network size and heterogeneity may increase. Weber ([1922] 1978: 342-343) posited that as competition increases, groups of competitors will "take some externally identifiable characteristic of another group of (actual or potential) competitors—race, language, religion, local or social origin, descent, residence, etc.—as a pretext for attempting their exclusion. In spite of their own continued competition against one another, the jointly acting competitors will now form an interest group toward the outsiders." These desires may be realized through the routinization of boundary-enforcing norms, such as those exhibited by TCMA.

- P4: Boundary-permeability control over the size of the action set will be proportional to the perceived environmental threat.
- P5: Boundary-permeability control over the homogeneity of the action set will be proportional to the perceived environmental threat.

Increased levels of environmental threats may constrict the permeability of network boundaries, and boundary-enforcing norms may become more explicit and restrictive. Boundary crossing may be predicated on the degree of perceived trust capability (Barber 1983) of those seeking inclusion in the network. Trust may be facilitated by perceived similarity (Cox 1993). Trust also is socially constructed and culturally defined (Doney et al 1998), thus culture may influence the shared characteristics salient to network firm members. In the TCMA case, network boundaries hardened and became less permeable as environmental threats intensified. Preexisting social ties to network members increased in their

importance for TCMA membership. Membership applicants considered for boundary crossing were required to be similar along firmographic dimensions (e.g., size) but also individual, psychological dimensions (e.g., being modern and a democrat). These individual, psychological dimensions commonly demarcate social cleavages in modern Turkish society (Robins 1996).

P6: Network boundary crossing will be predicated on the degree of interpersonal trust established between action set and prospective network member.

P7: The importance of prospective-network-member trustworthiness to boundary-crossing will be proportional to the increase in environmental threat.

P8: Trust-enhancing characteristics and behaviors of prospective network members will be socially constructed in accordance with the national cultural context.

Previous research has established that small, homogeneous networks increase inter-firm learning efficiency because they increase inter-firm interaction and inter-firm trust and intimacy (Kraatz 1998). This study's primary contribution demonstrates that networks may adapt to environmental change by evolving their boundaries and boundary-maintenance activities to engender a network context that facilitates inter-firm learning.

Implications for Managers and Policymakers

Less than 10 percent of all export-promotion organizations are found in the private-sector; the majority is comprised of public-sector or semi-public entities (ITC 1986). Most export promotion organizations (EPOs) define their population broadly (Seringhaus and Rossen 1991). Some may include all exporters in their population set; others may limit their focus to particular key but unrelated industries. Small, homogeneous EPOs are less commonly studied in the literature. This study suggests that policymakers responsible for defining EPO populations and activities should focus their efforts at increasing informal networking opportunities for their members and providing contexts for inter-firm collaboration between small numbers of homogeneous firms.

Particularly in emerging economies, EPO efforts target the needs of small- and medium-sized enterprises (SMEs). This emphasis most likely reflects the fact that the majority of emerging market firms are SMEs. Also, the export literature observes that SME's perceive greater obstacles to internationalization, lack the internal resources to acquire the know-how necessary to reduce these perceived obstacles, and therefore are in greater need of EPO assistance than their large-firm counterparts (e.g., Hansen et al 1994). But the findings of this study imply that emerging market EPOs should not overlook the needs of the large firm, particularly in terms of increased environmental stress.

Study findings also offer implications for exporters. Increased uncertainty and competition put a strain on managers' time and attention. The case study of TCMA demonstrates that even in tough times, investments made in interorganizational network ties can pay off in terms of greater efficiencies in problem-solving and decision-making.

Conclusions and Areas for Further Research

The TCMA case study illustrates the adaptive power of interorganizational networks and demonstrates how interorganizational network adaptation may create a context for efficient inter-firm learning (see Figure 2). A limitation of the study is that the historical data employed in the case primarily relies upon respondents and focus-group-participant recall. Wherever possible, individual recall data was

triangulated with the recall data of others as well as with available print materials. Additional research is needed to investigate the efficacy of the proposed model in longitudinal studies.

Although the study associates network adaptation with increased inter-firm learning efficiency, it was beyond the scope of this study to investigate whether this learning efficiency impacted member firms' export success. Little is known about how EPO evolution impacts member firms' export performance (Gillespie and Riddle 2002). Longitudinal and comparative studies investigating this relationship are warranted.

This study examined the experience of a network of textile exporters. Future studies could explore the application of the proposed model to other network contexts. Turkey is also a collectivist country, and individuals in collectivist cultures tend to place greater importance on group interests than individual interest compared to their counterparts from individualist countries. This group orientation may affect network adaptation in several ways. Informal networks in collectivist countries may more quickly respond to environmental change, their boundaries may harden more readily. As mentioned previously, cultural context may affect the boundary-crossing requisite characteristics. For example, TCMA's concern with a prospective member firm demonstrating the capacity of a "collective consciousness" may reflect their collectivist culture worldview. These cultural affects may only be tested through future cross-cultural studies of network adaptation.

References

- Adler, Paul S. and Kwon, Seok-Woo. 2002. Social capital: prospects for a new concept. *Academy of Management Review* 27(1): 17-40.
- Aldrich, Howard. 1979. *Organizations and environments*. Englewood Cliffs, NJ: Prentice Hall Inc.
- _____. 1999. *Organizations evolving*. Thousand Oaks, CA: Sage Publications
- Anand, Vikas, Glick, William H., and Manz, Charles C. 2002. Thriving on the knowledge of outsiders: tapping organizational social capital. *Academy of Management Executive* 18(1): 87-101.
- Axelrod, R. 1984. *The evolution of cooperation*. NY: Basic Books.
- Barber, B. 1983. *The logic and limits of trust*. New Brunswick, NJ: Rutgers University Press.
- Bartlett, Christopher A. and Ghoshal, Sumantra. 2000. Going global: lessons from late movers. *Harvard Business Review* (March-April): 133-141.
- Biddle, J and Milor, V. 1997. Economic governance in Turkey: bureaucratic capacity, policy networks, and business associations. In S. Maxfield and B. R. Schneider (Eds.), *Business and the State in Developing Countries*. Ithaca, NY: Cornell University Press.
- Borsch and Arthur. 1995. Strategic networks among small firms: implications for strategy research methodology, *Journal of Management Studies*, 32(4): 419-41.
- Chetty, Sylvie and Patterson, Andrea. 2002. Developing internationalization capability through industry groups: the experience of a telecommunications joint action group, *Journal of Strategic Marketing* 10: 69-89.
- Coleman, James S. 1988. Social capital in the creation of human capital, *American Journal of Sociology*, 94(Supplement): S95-S120.
- Colman, Robert W. and Barton, Mark. 1982. "Solving the effectiveness dilemma: how can an informal network create change?" *Journal of Sociology and Social Welfare*, 9(1): 72-87.
- Cox, T. 1991. The multicultural organization. *Executive*, 5(2): 34-37.
- Dawar, Niraj and Frost, Tony. 1999. Competing with giants. *Harvard Business Review*. (March-April): 119-129.
- Denzin, Norman and Lincoln, Yvonna S. 1998. *Collecting and interpreting qualitative materials*. Thousand Oaks, CA: Sage Publications.
- Dickerson, K. G. 1991. *Textiles and apparel in the international economy*. New York: Macmillan.
- Donney, Patricia M., Cannon, Joseph P., Mullen, Michael R. 1998. "Understanding the influence of national culture on the development of trust," *Academy of Management Review*. 23(2): 601-620.
- Eisenhardt, Kathleen M 1989. "Building theories from case study research" *Academy of Management Review*, 14(4): 532-550.
- Emergy, F.E. and Trist, E.I. 1965. "The causal texture of organizational environments" *Human Relations*, 18: 21-32.
- Foreign Trade Statistics*. 1999. Istanbul, Turkey: State Institute of Statistics, Prime Ministry of the Republic of Turkey.
- Gillespie, Kate and Liesl Riddle. 2002. *The importance of export promotion organization emergence and development*. Paper presented at the annual meeting of the American Marketing Association, San Diego.
- Granovetter, M. 1982. The strength of weak ties: a network theory revisited. In P.V. Marsden and N. Lin (Ed.), *Social structure and network analysis*: 105-130. Beverly Hills: CA, Sage.
- Hansen, N.; Gillespie, K.; Gencturk, E. (1994), "SMEs and export involvement: market responsiveness, technology, and alliances," *Journal of Global Marketing*, 7(4): 7-27.
- Hakansson, H. and Snehota, I. 1995. *Developing relationships in business networks*, Routledge: London.
- Ilyasoglu, E. and Duruiz, L. 1990. *The Turkish Clothing Industry*. Istanbul: Turkish Clothing Manufacturers' Association.

- International Trade Center. 1986. *Trade promotion institutions: monograph on the role and organization of trade promotion*. International Trade Centre UNCTAD/GATT, Geneva.
- Kraatz, Matthew S. 1998. Learning by association? Interorganizational networks and adaptation to environmental change. *Academy of Management Journal* 41(6): 621-643.
- Kreuger, A. O. and Aktan, O. H. 1992. *Swimming Against the Tide: Turkish Trade Reform in the 1980s*. San Francisco, CA: International Center for Economic Growth.
- Nelson, Richard R., Winter, Sidney. 1982. *An evolutionary theory of economic change*. Cambridge: MA: Belknap.
- “New President at TCMA: Mr. Sarigulle,” *Dünya* 25 January 1996.
- “Marriage Will Save Textile Sector,” *Milliyet* 13 March 1997.
- Pomfret, R. 1990. Export promotion in the Mediterranean basin. In M. Chris (Ed.) *Export Promotion Strategies: Theory and Evidence from Developing Countries*. New York: New York University Press.
- Portes, A. and Landolt, P. 1996. The downside of social capital. *American Prospect* 26(May/June): 18-22.
- Powell, W. W. and Smith-Doerr, L. 1994. Networks and economic life. In N. Smelser and R. Swedberg (Eds.), *The Handbook of Economic Sociology*, 368-402. Princeton, NJ: Princeton University and Russell Sage Foundation.
- Quatert, D. 1993. *Manufacturing in the Ottoman Empire and Turkey: 1500-1950*. New York: State University of New York Press.
- Robins, K. 1996. Interrupting identities: Turkey/Europe. In S. Hall and P. du Gay (Eds.), *Questions of Cultural Identity*: 283-300. London: Sage.
- Rousseau, Denise M., Sitkin, Sim B., Burt, Ronald S., and Camerer, Colin. 1998. Not so difficult after all: a cross-discipline view of trust. *Academy of Management Review* 23(3): 383-404.
- Seringhaus, F.H.R. and Botschen, G. 1991. Cross-National Comparison of Export Promotion Services: The Views of Canadian and Austrian Companies. *Journal of International Business* 22(1):115-134.
- Seringhaus, F. and Rossen, P. 1990. *Government export promotion: a global perspective*. Routledge, London.
- Strauss, Levi. C. 1966. *The savage mind*. Chicago: University of Chicago Press.
- Turkish Clothing Manufacturers' Association membership directory*, 1998. Istanbul, Turkey: TCMA.
- Togan, S. and Balasubramanyam, V. N. 1996. *The economy of Turkey since liberalization*. New York: St. Martin's Press.
- Uzzi, B.D. 1997. “Social structure and competition in interfirm networks: the paradox of embeddedness,” *Administrative Science Quarterly*, 42: 35-67.
- Weber, Max. [1922] 1978. *Economy and society*, Guenther Roth and Claus Wittich (Eds.). New York: Bedminister Press.
- Williams, Michele. 2001. In whom we trust: group membership as an affective context for trust development. *Academy of Management Review*. 26(3): 377-396.

ⁱ “FG” denotes “focus group.”

ⁱⁱ Mustafa Kemal Atatürk, the founding father of Turkey, was known to have employed this phrase inspire nationalistic feelings in Turkey. Although not an official TCMA slogan, the researcher observed its common use among TCMA members. For example, when one of the focus group participants entered the room ten minutes late to the focus group, he greeted the researcher and his fellow TCMA members by stating this phrase.

The GW Center for the Study of Globalization
Occasional Paper Series

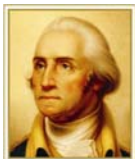
Publications to date:

- CSGOP-02-01 **Commerce Department Antidumping Sunset Reviews: A Major Disappointment**
Michael O. Moore, Associate Professor of Economics and International Affairs, The George Washington University
- CSGOP-02-02 **Globalization and the Convergence of Social Expenditure in the European Union**
Holger Wolf, Associate Professor of Economics and International Affairs, The George Washington University
- CSGOP-02-03 **Commercial Purchasing and Comparative Public Procurement: Exposing the Chasm Between the United States Government's Evolving Policy and Practice**
Steven L. Schooner, Associate Professor of Law, The George Washington University
- CSGOP-02-04 **The Effects of New Technologies on Cultural Protectionism**
Harvey B. Feigenbaum, Associate Dean, Elliott School of International Affairs and Professor of Political Science and International Affairs, The George Washington University
- CSGOP-02-05 **How Risky is U.S. Direct Foreign Investment? A Study of Financial and Political Risks**
Reid W. Click, Associate Professor of International Business and International Affairs, The George Washington University
- CSGOP-02-06 **An Econometric Analysis of US Antidumping Sunset Review Decisions**
Michael O. Moore, Associate Professor of Economics and International Affairs, The George Washington University
- CSGOP-02-07 **Managers, Investors and Crises: Mutual Fund Strategies in Emerging Markets**
Graciela Kaminsky, Professor of Economics and International Affairs, The George Washington University; *Richard Lyons*, Professor, Haas School of Business, U.C. Berkeley; and *Sergio Schmukler*, Senior Economist, The World Bank
- CSGOP-02-08 **Globalization and Governance: Examining the Contest Between Business and NGO Agendas in Intellectual Property Rights**
Susan K. Sell, Associate Professor of Political Science and International Affairs, The George Washington University; and *Aseem Prakash*, Assistant Professor of Strategic Management and Public Policy and International Affairs, The George Washington University
- CSGOP-02-09 **Technology-Based Globalization Indicators: The Centrality of Innovation Network Data**
Robert Rycroft, Professor of International Science and Technology Policy and International Affairs, The George Washington University
- CSGOP-03-10 **U.S. Economic Sanctions: An Empirical Study**
Hossein Askari, Aryamehr Professor of International Business; *John Forrer*, Director, The GW Center for the Study of Globalization, The George Washington University; *Hildy Teegen*, Associate Professor of International Business and International Affairs, The George Washington University; and *Jiawen Yang*, Associate Professor of International Business, The George Washington University
- CSGOP-03-11 **Using Unilateral Economic Sanctions Effectively: A Grounded Theory**
Hossein Askari, Aryamehr Professor of International Business; *John Forrer*, Director, The GW Center for the Study of Globalization, The George Washington University; *Hildy Teegen*, Associate Professor of International Business and International Affairs, The George Washington University; and *Jiawen Yang*, Associate Professor of International Business, The George Washington University

- CSGOP-03-12 **U.S. Economic Sanctions Against China: Who Gets Hurt?**
Hossein Askari, Aryamehr Professor of International Business; *John Forrer*, Director, The GW Center for the Study of Globalization, The George Washington University; *Hildy Teegen*, Associate Professor of International Business and International Affairs, The George Washington University; and *Jiawen Yang*, Associate Professor of International Business, The George Washington University
- CSGOP-03-13 **Economic and Strategic Impacts of U.S. Economic Sanctions on Cuba**
Hossein Askari, Aryamehr Professor of International Business; *John Forrer*, Director, The GW Center for the Study of Globalization, The George Washington University; *Hildy Teegen*, Associate Professor of International Business and International Affairs, The George Washington University; and *Jiawen Yang*, Associate Professor of International Business, The George Washington University
- CSGOP-03-14 **Global Gatekeeping, Representation, and Network Structure: A Longitudinal Analysis of Regional and Global Knowledge – Diffusion Networks**
Jennifer Spencer, Assistant Professor of International Business, The George Washington University
- CSGOP-03-15 **How Governments Matter to New Industry Creation**
Jennifer Spencer, Assistant Professor of International Business, The George Washington University; *Thomas P. Murtha*, Associate Professor, Carlson School of Management, University of Minnesota; and *Stefanie A. Lenway*, Professor, Department Chair, Carlson School of Management, University of Minnesota
- CSGOP-03-16 **Self-Organizing Innovation Networks: Implications for Globalization**
Robert Rycroft, Professor of International Science and Technology Policy and International Affairs, The George Washington University
- CSGOP-03-17 **Analysis of Experience: The Role of Public Private Partnerships in HIV/AIDS Prevention, Control, and Treatment Programming, Part 1: Conceptual Framework**
Muhiuddin Haider, Assistant Professor of Global Health, The George Washington University
- CSGOP-03-18 **Analysis of Experience: The Role of Public Private Partnerships in HIV/AIDS Prevention, Control, and Treatment Programming, Part 2: Case Studies**
Muhiuddin Haider, Assistant Professor of Global Health, The George Washington University
- CSGOP-03-19 **Analysis of Experience: The Role of Public Private Partnerships in HIV/AIDS Prevention, Control, and Treatment Programming, Part 3: Lessons Learned**
Muhiuddin Haider, Assistant Professor of Global Health, The George Washington University
- CSGOP-03-20 **The Gulf Crisis: Report from the Volatility Front**
Robert J. Weiner, Professor of International Business and International Affairs, The George Washington University and Membre Associé, GREEN, Université Laval
- CSGOP-03-21 **Economic Fragility, Liquidity, and Risk: The Behavior of Mutual Funds During Crises**
Graciela Kaminsky, Professor of Economics and International Affairs, The George Washington University; *Richard K. Lyons*, Professor, University of California, Berkeley; *Sergio Schmukler*, Senior Economist, Macroeconomics and Growth Team, Development Research Group, The World Bank
- CSGOP-03-22 **Digital Diasporas and Human Rights: Strengthening National Governments**
Lori A. Brainard, Assistant Professor of Public Policy and Public Administration, The George Washington University
Jennifer M. Brinkerhof, Associate Professor of Public Policy and Public Administration, The George Washington University

- CSGOP-03-23 **Digital Diasporas and International Development: Afghan-Americans and the Reconstructions of Afghanistan**
Jennifer M. Brinkerhof, Associate Professor of Public Policy and Public Administration, The George Washington University
- CSGOP-03-24 **Innovation Networks and Complex Technologies: Policy Implications of the Unknown, and the Unknowable**
Robert Rycroft, Professor of International Science and Technology Policy and International Affairs, The George Washington University
- CSGOP-03-25 **Globalization, the Internet, and the Voluntary Sector: the Emergence of Cyber-Grassroots Organizations**
Lori A. Brainard, Assistant Professor of Public Policy and Public Administration, The George Washington University
Jennifer M. Brinkerhof, Associate Professor of Public Policy and Public Administration, The George Washington University
- CSGOP-04-26 **Is the Chinese Currency Undervalued?**
Jiawen Yang, Associate Professor of International Business and International Affairs, The George Washington University
Isabelle Bajeux-Besnainou, Professor of Finance, The George Washington University
- CSGOP-04-27 **Changing Corporate Governance and Competition Policies in the European Union**
Scheherazade S. Rehman, Director, European Union Research Center, Institute for Global Management and Research; and Associate Professor of International Finance/Business, the George Washington University
- CSGOP-04-28 **Privatization and Organizational Change: Lessons from Cross-National Research**
John Forrer, Director, The GW Center for the Study of Globalization, The George Washington University
James Kee, Professor, School of Public Policy and Public Administration, The George Washington University
Kathryn Newcomer, Director and Professor, School of Public Policy and Public Administration, The George Washington University
Michelle Amante, mamante@gwu.edu
Laila El Baradei, Professor of Public Administration, Cairo University
- CSGOP-04-29 **Alliance Strategies: Case Studies**
Nicholas J. Vivio, Student Researcher, Center for International Science and Technology Policy, The George Washington University
- CSGOP-04-30 **Determinants of Technology Licensing**
YoungJun Kim, Adjunct Professor of Economics, Department of Economics, The George Washington University
Nicholas S. Vonortas, Associate Professor of Economics and International Affairs, Director, Center for International Science and Technology Policy, The George Washington University
- CSGOP-04-31 **Competitiveness and Corporate Governance in the EU**
Scheherazade S. Rehman, Director, European Union Research Center, Institute for Global Management and Research; and Associate Professor of International Finance/Business, the George Washington University
- CSGOP-04-32 **Global Perspective on the Connections between Immigrants and World Cities**
Lisa Benton-Short, Assistant Professor of Geography at George Washington University
Samantha Friedman, Assistant Professor in the department of sociology at George Washington University.

- CSGOP-04-33 **Banking Sector Systemic Risk Analysis: An Application to Brazil**
Theodor Barnhil, Professor in Department of Finance at the George Washington University
Robert Savickas, in Department of Finance at the George Washington University
Marcos Rietti Souto, Ph. D. Candidate in the in Department of Finance at the George Washington University
Benjamin Tabak, Economist at the Banco Central do Brasil
- CSGOP-05-34 **Development, Poverty and Tourism: Perspectives and Influences in Sub-Saharan Africa**
Sheryl M. Elliott, Associate Professor of Tourism Studies at the George Washington University
Shaun Mann, Consultant at The World Bank
- CSGOP-05-35 **Global Convergence of Corporate Governance Systems and Competitiveness**
Scheherazade S. Rehman, Director of the European Union Research Center and Associate Professor of International Finance/Business and International Affairs at the George Washington University
Frederick V. Perry, Adjunct Professor of Business and Management at Lynn University.
- CSGOP-05-36 **Adaptation of Interorganization Networks to Environment Change: Creating Insiders and Outsiders**
Liesl Riddle, Assistant Professor of International Business and International Affairs at the George Washington University



THE GEORGE
WASHINGTON
UNIVERSITY

WASHINGTON DC