

Ethno-business – the Manipulation of Minority Rights in Romania and Hungary

Andreea Carstocea

Before setting out, a clarification of the concept at the heart of this research should be made. For the purposes of this study, ‘ethno-business’ will refer to any practice that seeks to take unfair advantage of the existing legal framework for the protection of national minorities in order to obtain material, financial or political gain. Other terms used to describe the phenomenon include ‘ethno-corruption’, defined as ‘the abuse of remedial measures for private gain in a manner contrary to the legislators’ intentions’ (Pap 2008, 114), and ‘minority business’, emphasising the misuse of people’s – sometimes only alleged – minority identity for the sake of political or economic ambitions (Hungarian Helsinki Committee 1999, 27).

The phenomenon emerged recently, as an unintended consequence of minority policies developed after 1993. The first occurrence was reported in Hungary after the implementation of the law on the rights of national and ethnic minorities (Minority Law) in 1993. In Romania the phenomenon also emerged as a result of minority policies set up after the fall of the communist regime. Here, however, ethno-business was much less reported than in Hungary.

Given the relative novelty of the phenomenon, there is very limited literature concerning ethno-business. To this, one should add the general mindset of researchers and human rights advocates, who understandably – in the context of the Yugoslav conflicts, and later of the European enlargement – analysed minority policies in Central and Eastern Europe from a completely different angle, i.e. the extent to which states complied with their international commitments. This left under-researched the second element of the nexus of rights and obligations represented by law: although it is essential that the state guarantees the enjoyment of rights bestowed on its citizens through law, it is equally important that citizens abide by the obligations arising from it.

To complicate matters further, states have had very limited interest in researching or financing research into this issue. For both Romania and Hungary, demonstrating a strong commitment to ensuring generous minority policies was a very important asset in the negotiations for accession to the European Union, and it was deemed unnecessary, indeed counterproductive, to point out deficiencies in these policies. As for minority-sponsored research into this practice, one would hardly expect it to occur, since it might entail unwanted attention from the state, press or other civil society bodies.

As a result, to date there is no comprehensive research attempting to solve the many puzzles raised by this phenomenon. In terms of data, its scope is quasi-unidentified – one estimate put forward by a former Ombudsman for National and Ethnic Minorities in Hungary set the figure to one third of all self-governments in this country being cases of ethno-business (Gandul 2007). The figure is, however, not based on solid data. For Romania, no estimate whatsoever is available. Qualitative research is equally absent for both countries; all that has been written on this topic is reduced to reports of various cases of corruption, wherein no theoretical framework or methodology was applied.

What I will argue in this paper is that the new, emerging minority elites seized the opportunities created by the new institutional and legal frameworks after 1990 and used

their influence to construct identities – allowing them to take advantage of the new, generous minority policies.

Minority Rights after 1990 in Hungary and Romania

After the regime change of 1989, both countries wished to become members of prestige organisations such as the Council of Europe and the European Union. In the context of the Yugoslav wars, candidature for EU accession by Central and Eastern European countries brought fears of importing inter-ethnic conflict in the enlarged European Union. To counteract such developments, the criteria for membership included a provision whereby candidate countries were required to ensure stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities (Copenhagen European Council 1993).

The negotiation process was characterised by a marked power asymmetry: Central and Eastern European states were much more motivated to join the EU than their predecessors, which, according to very many observers, led to a lack of genuine choice in the adoption of European norms, with the result that minority rights protections were put in place without a process of genuine domestic negotiation and consultation between minorities and the majority (Pentassuglia 2001, Hughes and Sasse 2003). Arguably, candidate states accepted these norms not as ends in themselves, but simply as binding conditions for membership.

Moreover, questions have been raised as to the way the European Union pursued its monitoring exercise in the absence of any specialised EU institution to deal with minority issues. It is also significant that there is no European regulation concerning national minorities. Generally speaking, monitoring reports have been assessed by various researchers as being inconsistent and *ad hoc* (Sasse 2004, 69) and as being conducted on a case-by-case basis and lacking established, objective evaluation criteria (Pentassuglia 2001, 23).

All these issues have determined many researchers to conclude that both candidate countries and the EU have been reluctant to go beyond the rhetorical or formal legal and institutional change. Passing minority protections only as a response to pressures imposed by external conditionality, without the necessary social support, has - according to some views - resulted in a purely instrumental attitude towards minority rights (Tesser 2003, 493).

In Hungary, with the coming to office of Prime Minister Jozsef Antall in 1990, a new approach to the issue of Hungarians abroad became very visible, the fate of the Hungarian communities living in the neighbouring states becoming a top issue on the government's agenda, much to the alarm of the countries concerned (Schopflin 2000, 371). The Office for National and Ethnic Minorities was set up in the same year, with the mandate of implementing the government's minority policies. One of its first tasks was to contribute to the drafting of the Minorities Act. According to some researchers (Kardos 2001, 349), one of the main – though unacknowledged – considerations in the drafting of the law was establishing a 'moral right' allowing the Hungarian state to demand fair treatment of the Hungarian minorities in the neighbouring states. The law had as an important point of departure the right for national and ethnic self-identification as a fundamental human right (Csaba 2005, 208). This point was the one that sparked most

debates during the preparation of the law and, as will be shown later, in its subsequent implementation.

Unlike minority acts in the majority of European states, the Hungarian law offers a detailed definition of what a national or ethnic minority is: 'every national group that has been native on the territory of the Republic of Hungary for at least a century, that has been in numerical minority within the population of the state, whose members are Hungarian citizens, who are differentiated in their own language, culture and traditions from the rest of the population, who exhibit a spirit of togetherness in order to preserve all of these and in order to express and protect the interests of their historically developed communities' (see Csaba 2005, 209). The law also provides a list of the thirteen ethnic groups that qualify as national minorities, leaving open the possibility for any other ethnic group to claim the status of ethnic or national minority, once it fulfilled a number of prerequisites.

As to the right to parliamentary participation, this follows directly from the Constitution. However, to date, the law required to regulate this issue has not been adopted. Rather, protection of national minorities is performed through local self-governments, which are bodies endowed with a separate budget from that of the local government, and which can be set up by any of the thirteen minorities recognised by the Hungarian state. These are entitled to establish and maintain educational and media institutions, have the right to define their own organisational and operational rules, and are entitled to use a separate head office within the property of the local government.

After three consecutive self-government elections, more than 1,800 local self-governments have been established (Csaba 2005, 213). Deficiencies in the Minorities Act started to become obvious in the elections of 1998, with the first occurrences of ethno-business cases. In June 2005, the Hungarian Parliament passed a series of amendments to the Minorities Act. According to the modified Act, both the right to vote for, and run as, candidates in the minority elections require prior registration as a member of the respective minority. The first minority self-government elections under the new regulations were held in autumn 2006.

In the case of Romania, the new constitution of 1991 provides a fairly extensive set of minority rights. The principle at the core of minority provisions in Romania is, as in the case of Hungary, the free choice of national identity. However, unlike in Hungary, neither the Constitution nor any subsequent law state clearly what are the characteristics that would describe an ethno-cultural community as a national minority. Neither are national minorities recognised by the state listed in the legislation. In 1993 the Council of National Minorities was created, as a consultative body of the Government bringing together all recognised national minorities. Initially the Council brought together representatives of sixteen minorities. The number has recently increased to nineteen members, representing twenty minorities recognized as national minorities by the Romanian state (the Czech and Slovak minorities chose to be represented by one joint association – the Association of Czechs and Slovaks in Romania). The council operates on the principle of equality among minorities – each minority, regardless of its size or socio-economic necessities, is represented by one representative association in the council.

The treatment of national minorities on an equal basis raises the most difficult questions of parliamentary representation. Romanian law provides that all recognised national

minorities can send one representative to the Lower Chamber of Parliament, provided that in the national elections they receive at least 5 per cent of the average number of votes received by an MP standing for election on a regular party list. The difficulty lies in the fact that only one MP per minority is allowed. The association the MP represents will then receive the whole funding for the respective minority, thus creating a 'winner takes all' situation (Horvath and Scacco 2001, 258). This is particularly true for the Roma minority, notorious for the myriad of associations attempting to gain a seat in Parliament, but has proved to be an issue in the case of other minorities as well, such as Italians, Bulgarians and Albanians.

From ethnic Representation to Ethno-Business

The first mention of this phenomenon occurred in Hungary as a direct result of the 1993 Minorities Act and the subsequent secondary legislation. Stephen Deets (2002) wrote one of the first articles discussing the phenomenon, without, however, using the term 'ethno-business'. Deets' analysis relates to a 1998 European Roma Rights Center report of an incident that took place in an ethnically-mixed village in southern Hungary. There, to take advantage of the state-funded subsidies for mother-tongue lessons, the school board encouraged all 220 pupils to declare themselves of German origin, even if at the beginning of the school year 185 pupils declared themselves Hungarian, 25 Roma and only 10 German. The school thus received increased subsidies, enabling all students to study German. The ones left out of the scheme were the Roma, who were left without the opportunity to learn in their mother tongue.

This was by no means an isolated case. In the same article, Deets cites Hungarian government statistics according to which 45,000 primary school pupils were enrolled in German-minority programmes. This number exceeded the total number of the German population living in Hungary by 8,000 (Deets 2002, 39). Deets' conclusion is that the government has an interest in developing programmes that offer incentives to local governments to 'create' minority children. Thus minorities are helped to recreate their culture as a way to pressure neighbouring states, so that the demand for minority rights is 'fuelled by supply' (Deets 2002, 41).

The 'Cuckoo' Phenomenon

The 'Cuckoo' Phenomenon – a term coined mainly by the mass media, is used to describe the cases where political entrepreneurs not belonging to a minority stand for election to a minority self-government. This seemed to occur with greater frequency before the 2005 modification of the Minority Act. However, reports of such occurrences have emerged even after that. As noted by the 1999 Helsinki Committee report on the situation of minorities in Hungary, the phenomenon is a direct consequence of the principle of free choice on which the provisions of the 1993 Minority Act are based. Added to this, the fact that at the time the majority population could vote on the minority council representatives should also be considered.

In a very comprehensive and documented study, Andras L. Pap (2008) calls to attention several instances of the phenomenon. Thus he gives the example of a very vocal Roma politician in Jászladány – a village renowned for segregating Roma children in schools –

who was in a permanent dispute with the local authorities. He was sidelined in the elections by the Hungarian majority, who voted a non-Roma to the minority self-government. To further demonstrate the scope of the phenomenon, Pap mentions repeated cases of candidates running for office as Roma in one election and later as Germans in the following term, as well as the fact that in several municipalities where, according to the census results there was no person belonging to a national minority, numerous minority candidates were registered for election to a minority self-government. Possibly the most absurd example of misuse of minority policies is the case of a small village football team which registered as German minority candidates for the elections to express their admiration of German football (Pap 2008, 115). Because of the possibility of the majority to vote in the minority self-government elections, often the majority population decided the board of the minority self-government, as demonstrated by the Jászladány case.

Judging from the number of journalistic reports and of public complaints, the minority most affected by the 'cuckoo' phenomenon was the Romanian minority in Hungary. A document released by the Cultural Union of Romanians in Hungary approximated that almost forty percent of the Romanian self-governments were headed by non-Romanians. As a result, the functioning of the national self-government was blocked as well, since its functioning depends on the presence of seventy five per cent of the electors. The Romanian minority issued an open letter in 2002 to request the support of the Romanian Minister of Justice, resulting in a request by the Romanian Minister of Foreign Affairs to his Hungarian counterpart to investigate and remedy the matter (Divers Bulletin 2008). The situation was solved by Parliament, that later reduced the threshold to fifty per cent.

Comparable phenomena have occurred in Romania in the past few years. They were however not identified in public opinion or the mass media either as ethno-business or by any other descriptor. Several instances that resemble the 'cuckoo' cases in Hungary, such as the case of Oana Manolescu, elected to Parliament as deputy representing the Albanian minority in the 2000 elections, who, it was later claimed, was an ethnic Romanian with no link to the Albanian community. Another case is that of Gheorghe Firczak, whom we find in 1996 as an unsuccessful candidate on the list of the Free-Democrat Hungarian Party of Romania. After a short period in the ranks of a Romanian mainstream party (the Social Democrat Party) he founded the Cultural Union of Ruthenians in Romania whose interests he has represented in Parliament since 2004 (Alionescu 2004, 68-69). Maybe the most contested and reported case is that of the MP representing the Macedonian minority. A former leader of the coal miners syndicate, he set up the Association of Slav-Macedonians several months before the 2000 elections. Despite the fact that he had admitted he had no links whatsoever with the Macedonian language or culture, he managed to secure a place in Parliament (Alionescu 2004, 69). The minority status of all these individuals was heavily contested by their constituencies after they were elected and took office.

Inflation in the Number of Ethnic Parties not sustained by Demographic Data

The confusion surrounding the election of the Italian deputy in the 2000 general elections in Romania seems to point to another type of development, not encountered in the Hungarian ethno-business instances. The electoral law restricts the number of minority

MPs entering Parliament to one per minority, namely the candidate receiving most votes in a district. Ms. Ileana Stana-Ionescu was elected to Parliament and her organisation appointed to the Council for National Minorities after receiving less than 3,000 votes in a single district (which was more than any other Italian candidate in any one district), whereas a competing organisation failed to send its representative to Parliament in spite of their collecting a total of over 16,000 votes in several districts. This example, provided by Alionescu, is reinforced by the competition among parties claiming to represent the Italian minority in the 2004 elections: no less than seven such parties competed for a constituency of less than 3,500 people. Marian Chiriac (2005) discusses the occurrence of over-competition in the case of several minorities, without however offering an explanation or policy recommendation to improve the situation.

Trying to address the question of how these incidents were possible, Alionescu (2004, 69) concludes that the answer lies in the voting behaviour of the parliamentary group of national minorities. As they have constantly voted according to the wishes of the ruling party of the day, all governments preferred to turn a blind eye to the deficiencies in the system and maintain the electoral process without any adjustments. However, if this explains how the system survived without structural changes for so many years, it does not explain the number of votes obtained by the individuals claiming to represent a minority they did not belong to.

Another deficiency in the system that allowed for the phenomena of unusually high competition for a seat in Parliament as representative of a minority is the fact that the law allows for any three persons to set up an NGO, to assert that it represents the interests of a national minority, after which it can stand for election. This has allowed for various manipulations to the detriment of genuine minority associations (Pambuccian 2000, 100).

Dan Oprescu (2000), the former head of the Romanian National Agency for the Roma, was the first to compare the abuses of the minority policies in Romania with the ethno-business phenomenon in Hungary. For him, the main cause behind these abuses is the funding system for minority associations represented in Parliament. There is very little accountability as to how these funds are spent and funding is not made conditional on anything, i.e. once a minority association enters the Council for National Minorities and sends a representative to Parliament, the state releases the money automatically. This is the reason why Oprescu considers this funding to be a veritable 'alimony' for minority associations, who, according to him, have developed a real dependency on state funding (Oprescu 2000, 75).

Theoretical approaches concerning the Relationship between Entrepreneurs and their Constituencies

I will argue that minority leaders – the community elite – used an instrumentalist approach to national identification, employing a number of techniques to construct or enhance a sense of identification with ethnic values they promoted. Their success was made possible either by the psychological needs of the community, or in some cases by the material, pragmatic inducements they offered.

Political elites are loosely defined in the literature, an aspect which according to many researchers has created a lot of conceptual and theoretical confusion. Indeed, the difficulty of creating a definition that can help researchers to identify correctly political

elites relevant to their study becomes apparent in the multitude of definitions and theoretical approaches available. I will follow John Higley and Richard Gunther's (1992) understanding of the elite as made up of holders of high positions in powerful organisations and who can regularly and substantially influence political outcomes – in this case, the leadership of the minority organisations (in the Romanian case) and the leadership of minority self-governments (in the Hungarian case).

Higley and Gunther distinguish among three types of elites, based on their structural integration which they define as the relative inclusiveness of formal and informal networks of communication and influence among elite persons, groups, factions, and the value consensus, i.e. the relative agreement among elites on formal and informal rules and codes of political conduct and on the legitimacy of political institutions. Thus they identify the disunited elite (Higley and Gunther 1992, 10), in which structural integration and value consensus are minimal. Communication and influence networks do not cross faction lines, and opposing factions disagree on the structuring and value of political institutions. Within such an elite type, political outcomes are perceived in terms of 'politics as war' or as zero-sum. They engage in unrestricted, often violent struggles for dominance. A second type would be the consensually unified elite, wherein structural integration and value consensus are relatively inclusive, with communication and influence networks encompassing all or most elite factions. Since no single faction dominates these networks, most elites have access to government decision-making. A final type would be the ideologically unified elite, in which structural integration and value consensus are seemingly monolithic, such as that encountered under totalitarian regimes (Higley and Gunther 1992, 11).

This categorisation sheds some light into the third phenomenon I identified relating to ethno-business – the excessive fragmentation of the political environment in the case of several minorities. Whether this is due to competition for (political, financial) resources or due to disagreements as to the best direction for political action, the large number of leaders claiming political representation seems to point in the direction of a disunited elite, albeit in a slightly more moderate understanding of the term.

Many elite theorists hold that, in practice, it is the ruling elite that moulds people's consent to itself and its policies, so that the growing political participation of the public becomes offset by growing (or more effective) political manipulation. Eva Etzioni Halevy in her study on political manipulation concludes that 'the extension of democratic rights merely implies that the political elites have had to modify the devices for the struggle for power to include, to a greater extent than before, the manipulation of public opinion' (Etzioni Halevy 1979, 7). Among the techniques through which elites manufacture the consent of the public, Etzioni Halevy identifies the selective distribution of information, the production of symbolic cues that define or interpret states of affairs for the public, and through ritualistic and evocative rhetoric and emotionally laden linguistic symbols which, in themselves, contain predefinitions of the situation (Etzioni Halevy 1979, 7).

Construction of Identity

The constructivist approach to nationalism holds that nations, nationalism, the nation-state, national symbols and histories are a social construct, a result of ‘social engineering (...) often deliberate and always innovative’ (Hobsbawm 1992, 13). This study considers the success of ethno-business entrepreneurs as partially the result of a process of identity construction and will attempt to shed some light on the mechanisms at play in the relationship between entrepreneurs and their constituencies. The constructivist approach to identity formation is relevant to the research concerning the emergence and success of ethno-business. In certain ethnic communities in Romania and Hungary a sometimes dramatic surge in the number of people casting ethnic votes and requesting to benefit from minority rights has occurred, despite not being sustained by any demographic data.

Most constructivist researchers concur with Peter Berger and Thomas Luckmann’s (1967, 173) assertion that identities are formed by social processes and that once formed, they are maintained, modified or even reshaped by social relations – the corollary being that in their turn identities produced in this way maintain, modify or even reshape the same social structure that contributed to their production. A similar approach to national identity is apparent in Max Weber’s work, for whom the nation was fundamentally a construct. Thus he acknowledged the impossibility of identifying any kind of ‘empirical qualities common to those who count as members of the nation’ (Weber 2004, 146). From this he deduces that ‘nation’ therefore refers to an expected solidarity on the part of certain groups in the face of other groups, without any possibility of determining the limits of the membership or the community-oriented course of action arising from this solidarity (Weber 2004, 146). Weber chooses to analyse the role of the agents that might benefit from popularising this doctrine of the nation. He remarks that the idea of the nation stands in close relationship to ‘prestige’ interests, as all manifestations of this idea contain, in one form or another, the legend of a providential mission, which the members of the nation were encouraged to fulfil. In addition, this mission could only be accomplished through the cultivation of a certain peculiarity of the nation, usually seen as culturally superior and irreplaceable as compared to other nations. Weber concludes that it is the elites ‘the intellectuals, as we shall tentatively call those who usurp leadership in a *Kulturgemeinschaft* (that is, within a group of people who by virtue of their peculiarity have access to certain products that are considered “culture goods”)’ (Weber 2004, 149) that are most susceptible to spreading the ‘national’ idea.

One fundamental question that constructivist theory has yet to answer is why people allow themselves to be ‘manipulated’ into identifying with the symbols, culture and traditions crafted by elites. Most writers in the constructivist tradition seem to take for granted the fact that if leaders use the right cues at the right time, the population will readily follow the ideas presented to them. For G. Lowell Field and John Higley, the attitude of the public has little bearing on the unity among elites, which they perceive as a crucial factor in achieving socio-political stability (cf. Etzioni Halevy, 1979, 5). In C. Wright Mills’s work, the emphasis is also on the prevailing influence of the elites. He dismisses the role of ‘the masses’, which he characterises as apathetic (Wright Mills 1957, 324).

The understanding of ethnic mobilisation through elite manipulation is very well complemented by the theory developed by David Laitin (1998), based on his research on

ethnic identities in Estonia. His starting point is the assimilationist policies of the newly independent Estonian state after 1991, and the consequent efforts made by ethnic Russians to accommodate the linguistic requirements attached to obtaining Estonian citizenship. Learning the Estonian language is a pragmatic choice that Russians make in order to obtain citizenship and have access to better jobs. This is in Laitin's theory the first step towards assimilation. The next generation will have less trouble learning Estonian and will accommodate more easily to the majority culture, as '[c]ultural assimilation is like religious conversion – what one generation considers simple pragmatism the next considers natural' (Laitin 1998, 2).

Laitin defines identities as categories of membership that are based on various typologies, such as gender, race, class, etc., which ultimately limit the choice of personal identity. Thus a person who sees himself as both Estonian and Russian (say, a second-generation Russian who has become partially assimilated to Estonian culture) may one day – due to some political or social constraint – have to choose which is his dominant identity. Laitin's novel perspective resides in proposing a tipping model to determine how this change of identity occurs at the level of a community. His argument is that the choice of a dominant identity will ultimately be affected by the number of people who have already chosen it, resulting in a cascading effect (Laitin 1998, 23). I believe Laitin's approach, although focusing on the process of assimilation of minority populations to the majority, which is the opposite of the phenomenon this research attempts to unravel – that of reversing the process of assimilation begun during communism – is of great value in understanding part of the workings of ethno-business. In the case of communities affected by ethno-business practices, my assumption is that most people still speak (however incorrectly or rarely) the minority language, and still carry with them at least two identities: the majority and the minority one. In cases where a political entrepreneur came up with a discourse incorporating ethnic cues and emphasising the positive value of the diminishing minority identity, he essentially encouraged the members of his constituency to choose that identity as the dominant one. Judging by the success of the ethno-business entrepreneurs, it is most probable that a cascading process took place whereby an increasing number of people decided on their minority identity as the dominant identity.

Social Identity Theory

Another possible answer for the appeal of nationalist rhetoric is to be found in the theory of psychological identification developed by Henri Tajfel. His definition of social identity is 'that part of the individuals' self-concept which derives from their knowledge of their membership of a social group (or groups) together with the value and emotional significance of that membership' (Tajfel 1982, 24). Tajfel's observations led him to the conclusion that individuals that are part of a group (even where this particular group finds itself in no conflict with any other groups) display a marked tendency toward favouring their fellow group members as opposed to members of other groups (ingroup-favouring behaviour). To this, Tajfel adds the observation that people need to preserve (or achieve) a positive, distinctive image of the group they identify with as a means of enhancing their self-esteem, so that they are prone to creating a positive social identity for all group members (Tajfel 1982, 24).

Thus the positive response of people to stimuli that attempt to induce them to identify with a certain group becomes clearer – being part of a prestigious group can confer a positive image of oneself. The notion that ethno-business entrepreneurs undertook a process of identity construction in the communities they have come to represent appears to have firm foundations, and will become one of the main arguments of this research. Ethnic communities where the most prominent cases of ethno-business emerged were characterised by a relatively high degree of assimilation. However, by transforming the diminishing minority identities still present into the dominant identity of the group, entrepreneurs managed to boost ethnic allegiances to the minority culture and consequently benefit (materially and politically) from attaining the status of a minority leader.

Group Theory

Mancur Olson's theory provides another approach that I believe helps explain the favourable response on the part of minority communities to entrepreneurs seeking to coagulate these communities around them. Olson's view is that, contrary to classical theories of groups and organisations, rational, self-interested individuals will not act to achieve group interests. This is because, in the case of large organisations, the public good these offer or facilitate are available to all potential members of the group, whether or not they have paid the price for such. Thus the individual will have no incentive to act, as especially in larger groups his lack of action (i.e. his not paying for the public good) will not have any effects on the availability of that good. This is Olson's explanation for the reason why states cannot depend on the voluntary donations of its citizens. For this reason, large organisations wishing to mobilise a latent group will have to resort to 'selective incentives' (Olson 1971, 133), either in the shape of sanctions or of attractions (distinct from the public good itself) in order to encourage individuals to help bear the burden. Sanctions can take various forms, such as withdrawing support from an individual (Olson's example relates to the practice of the American Medical Association (AMA) members of usually not testifying for non-member physicians in cases of malpractice) (Olson 1971, 138-139). Selective incentives, meaning benefits that can be withheld from non-members, are, according to Olson's research, much more common. To use the same example, AMA offers access to a prestigious academic journal for its members only, so that physicians are given an incentive to join the Association (Olson 1971, 140).

Although Olson's theory is based on economic organisations it might prove helpful in explaining the success of (non)minority entrepreneurs in mobilising the local community. The use of material incentives (to use Olson's terminology) by minority entrepreneurs has been reported in the Romanian media. The most famous example is that of the Croat minority leader who allegedly facilitated double citizenship and Croat passports in exchange for votes – this might explain the soar in electoral votes for the Union of Croats from 486 votes in 1996 to 14,472 in 2000 and 18,100 in the 2004 elections (Divers Bulletin, 2004).

This approach also offers an explanation for the cases where non-minority entrepreneurs obtain a seat in Parliament on an ethnic vote. By offering selective incentives to the potential constituency they can downplay the ethnic element and focus on the other

(material, social, political) advantages they can bring to the community.

In selecting the theory of social identification and the theory of groups as potentially facilitating explanations of community responses in the interaction between entrepreneur and constituency, I would not consider these approaches as competing but complementary explanations. It may well be that in the same community a process of identity construction based on the community response (along the lines of the social identification theory) co-exists with selective incentives offered to potential voters.

Conclusions

With regard to the minority legal and institutional developments after 1990, several things should be mentioned. Firstly, most research has focused on assessing the state's (non)fulfilment of its international and domestic commitments towards minority groups. This perspective has set aside the second component of the junction between rights of obligations represented by law. Secondly, academic investigations specifically on the subject of ethno-business are very recent and underdeveloped. To my knowledge, no consistent study of the phenomenon has previously been undertaken. Generally speaking, the studies discussing ethno-business do not focus exclusively on it; rather, ethno-business is mentioned in the context of a wider analysis of minority policies. Thirdly, the literature available on the subject falls mostly in the category of policy recommendations, concerning itself with ways in which the legal and institutional setting should be reshaped as to prevent further abuse.

These analyses fail to take into account that the relation between the state and the minority community involves a mediator, the minority entrepreneur. The relationship that the various authors attempt to reshape through their policy recommendations is thus the one between the state and the minority entrepreneur.

This leaves the floor open for researching the second element of the triad state – mediator – community, i.e. the interaction between the minority entrepreneur and his constituency. I have attempted in this study to identify the most relevant theoretical approaches to clarify the relationship of (non)minority entrepreneurs to their communities, looking at debates concerning the definition and potential avenues for action of political elites, and the potential explanations for the favourable response on the part of ethnic communities where ethno-business practices have emerged. In my opinion, these are the main issues at stake in clarifying the interaction between entrepreneurs and the community. A close analysis of these issues reveals that entrepreneurs' actions in terms of identity construction and use of selective incentives find their reflection in the positive response of the community, as explained by the theory of social identification and by the theory of groups and organisations.

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