Privileged core-state migrant entrepreneurs in Poland: an ethnic economy in reverse?

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Abstract

Purpose – The study aims to explore migrant entrepreneurship in a hitherto overlooked demographic, namely, migrants who have moved away from core-states and towards an economically less developed area. In particular, the study aims to critically evaluate to what extent mainstream theories and findings regarding migrants’ ethnic division of labour are applicable in such an “upside down” migratory context.

Design/methodology/approach – The study qualitatively analyses 41 privileged core-state (UK, USA and Germany, among others) migrant entrepreneurs who have migrated to Wroclaw, Poland, and positions these findings against a second subject group of 24 migrant entrepreneurs from periphery-states (namely, Ukraine and Belarus).

Findings – The study finds that, while the situations of the periphery-state subject group largely lend support to the mainstream literature of migrant entrepreneurship, for those from the core-states subject group it is an altogether different story, whereby these migrants were found to be less likely to employ co-ethnic labour and, instead, were more likely to opt for native, Polish labour.

Research limitations/implications – The study’s findings begin to question the universality of migrant entrepreneurship theories which have been formulated within mainstream (semi-)periphery-to-core dominant-subordinate contexts. This, in turn, carries implications for policymakers outside of core-states who may need to carefully consider if such theories are applicable to their specific contexts.

Originality/value – This study not only helps to address a gap in the literature surrounding migrant entrepreneurship within Poland but also a gap within the wider literature in terms of migrant entrepreneurship outside of core-state contexts.

Keywords Immigrants, Entrepreneurs, Entrepreneurship, Employment

Paper type Research paper

Introduction

If we look at the literature based on fieldwork in the USA, we find a relatively abundant literature on the poor, the ethnic groups, the disadvantaged; there is comparatively little field research on the middle class, and little first-hand work on the upper classes. Anthropologists might indeed ask themselves whether the entirety of fieldwork does not depend upon a certain power relationship in favor of the anthropologist, and whether indeed such dominant-subordinate relationships may not be affecting the kinds of theories that we are weaving. (Nader, 1972, p. 5)

For centuries, the highly industrialized and developed “core-states” have drawn people from the non-industrial “periphery”. While the UN often simplifies such flows of migration with labels such as “South-North”[1], the reality is more complex. In the case of Poland, which has seen large increases in its GDP in recent years[2], there are question marks over whether it belongs to the North or South. Here, Wallerstein’s trichotomous division of the world into...
“core”, “periphery” and “semi-periphery” offers a potential solution. When applied to migration, we are able to describe the recent trend of peripheral migrants from Ukraine and Belarus who have migrated to the semi-periphery of Poland, while concurrently describing the migration of many of its own citizens to core-states, such as the UK, Germany, and the Netherlands. Despite this apparent variation in migrants’ choice of destination, they are united in their decision to move “closer to the core”. Subsequently, it is perhaps understandable that migration scholars have devoted much of their attention to migration moving in this direction (Ilhan-Nas et al., 2011; Dheer, 2018). However, in doing so, they have arguably fallen into the trap first identified by Nader (quoted above) in 1972. She points out that there has been reluctance in the field of anthropology to study “up”. Despite that observation being made over 40 years ago – as well as being from a US-centric perspective – within the niche field of migrant entrepreneurship it remains overwhelmingly true. Here, research has predominantly focused upon migrants moving in a (semi-)periphery-to-core direction, wherein it has often been shown how “immigrants are a disadvantaged group compared to the native-born population in the labor markets of host countries” (Andrejuk, 2016, p. 380). Starting from this position of disadvantage, it is perhaps then unsurprising that scholars have subsequently searched for ways to account for migrants’ apparent success at entrepreneurship despite their disadvantaged circumstances. One such attempt is that of Ethnic Enclave Theory (Wilson and Portes, 1980; Light et al., 1994; Portes and Shafer, 2007) which stresses migrants’ competitive advantage in terms of their access to a plentiful supply of affordable, co-ethnic labour [3], as well as other benefits such as co-ethnic loans, knowledge and markets (Zubair and Brzozowski, 2018). These competitive advantages, however, are framed within the context of a disadvantaged position, exemplified by low wages and a desire to “break out” of low-margin ethnic markets (Arrighetti et al., 2014). In other words, such findings follow a long tradition of social scientists’ “downward facing” concentration upon “the poor, the ethnic groups” (Nader, 1972, p. 5).

But – and here is the key question – are such theories and findings also applicable to migrants who are migrating in the opposite direction, that is to say, migrants moving away from core-states and towards economically less developed (semi-)periphery-states? Let us consider a hypothetical example of an Irish migrant entrepreneur who has relocated to Poland. Would they also be likely to have access to a plentiful supply of co-ethnic (Irish) labour? And would this labour be affordable?

Importantly, this Irish entrepreneur is part of a real trend with over 13 million people having migrated away from core-states in 2019 alone [4]. Of course, not all of them become migrant entrepreneurs, but recent studies are beginning to show that at least some of them do (see e.g. Harima, 2015; Vance et al., 2016; Andrejuk, 2017). These studies, however, are few and far between. Subsequently, a small but growing number of migrant entrepreneurship scholars have acknowledged the “extreme lack of attention” (Paik et al., 2017, p. 56) paid to this phenomenon and have called for more research in this field (Andresen et al., 2014).

This study, then, aims to fill this gap in the literature by studying “up” (Nader, 1972; Gusterson, 1997; Aguiar and Luis, 2012), comparatively exploring variation in the ethnic division of labour of core- and periphery migrant entrepreneurs in the shared “middle ground” semi-periphery [5] context of Wroclaw, Poland. It begins by addressing a question the reader may be wondering, namely, with global migration from economically developing to economically developed countries (95.2 million [6]) greatly outnumbering migration in the opposite direction (13.6 million), if it really matters that this less common demographic has been neglected. Here, it will be argued that the situations of migrant entrepreneurs who have migrated in a “reverse” direction are not only interesting as empirical phenomena, but also have real theoretical and practical implications for the field of migrant entrepreneurship and even beyond. The paper will then provide an overview of the literature, positioning itself as
Why study “up” in migrant entrepreneurship?
Curiously, there appears to be no clear consensus for why we, as anthropologists and social scientists, have apparently been so hesitant to research those in positions of privilege. There are, however, three trains of thought. First, there can be methodological difficulties when it comes to accessing elites (Nader, 1972). Second, there has traditionally been a culture within anthropology departments to prefer more exotic research projects which concern themselves with the underprivileged “other” (and the more “other” the better) (Gusterson, 1997). Third, Nader (1972) hinted at how we tend to research topics which incite our emotion. The example she gave is that of an anthropologist (L.H. Morgan) who was troubled by the treatment of Native Americans in the USA. This aversion led him to undertake a research project surrounding this phenomenon. By way of explanation, it seems it is our problematization of those in positions of disadvantage which often pulls us towards a certain research agenda. By contrast, we rarely look at those in positions of privilege, such as the wealthy, and think “this is a problem and should be researched!” In other words, it is our failure to problematize those in positions of privilege which is perhaps underlying our reluctance to study “up”. But our failure to study more privileged groups does not mean that there are no reasons to do so.

First and foremost, there is a theoretical warrant to study “up”. Nader (1972) warns of how the exclusive “downward” study of “ethnic-groups”, and the inherent “dominant-subordinate” relationship, may be “affecting the kinds of theories that we are weaving”. Indeed, as will be seen in this study, current theories may well have been theorized largely on the basis of persistent power imbalances in the international system (Croucher, 2009, p. 465) and, subsequently, there are serious question marks surrounding their ability to account for migration in a reverse context. In this way, through the micro level study of more privileged forms of migration, we might be able to “light up” previously invisible assumptions and structures (Duneier et al., 2014, p. 7). And, in doing so, studying “up” creates a counterpoint against which we can critically examine the current theoretical approaches within the field of migrant entrepreneurship.

Second, and this is an extension of the second point, there may be methodological implications for new research projects. As noted above, studying “up” seems to problematize taken-for-granted notions about social phenomena. Researchers should, therefore, ask themselves whether their studies are based upon such assumptions and how these assumptions can be taken into consideration when developing research methodologies for new projects.

Third, and finally, there may be policy implications resulting from challenges to the current theories. Many governments around the world are actively encouraging migrant entrepreneurship (Acs and Szerb, 2007; Collins, 2003; Collins and Low, 2010; Desiderio, 2014). If policy is based upon the current theories, and these theories are founded upon assumptions which are not universally true, then what does that mean for the effectiveness of these policies? This, of course, may have particular significance for the governments of countries outside of core-states for which this study is most relevant.

Definitions – core, semi-periphery and periphery
This study borrows terminology from World-systems Analysis (Wallerstein, 1987, 2004). This approach splits the world into three levels of economic development: “core” countries (those
with advanced economies), “periphery” countries (those with non-industrialized economies/developing economies) and “semi-periphery” countries (those in the middle). The reasons for deciding upon this nomenclature are twofold. First, as noted earlier, this trichotomous division has an important advantage over the potential alternative of the dichotomy “Global North” and “Global South”. Between 1992 and 2019, Poland’s GDP per capita has increased by over 600% to $15,595, significantly more than less economically developed countries such as Chad ($728), yet still less than a quarter of the USA ($65,280)[7]. With such a “middle-of-the-range” economy, the dichotomy of “North” and “South” is problematic in terms of deciding to which group Poland would belong. By contrast, Wallerstein’s trichotomous division of the world provides a necessary “in between” group and, subsequently, a way of distinguishing and categorizing Poland’s “middle-ground” status.

Second, the terms have another important advantage over that of “Global North” and “Global South”. The latter terminology has been accused of presenting certain regions (i.e. those belonging to the “North”) as somehow “exemplary”, while others as conversely in need of improvement (Eckl and Weber, 2007). Wallerstein’s terminology, by contrast, is loaded with a tradition which is critical of precisely the power relations which are embodied in the latter. In other words, the terms provide a way of discussing an uneven “world-system” while simultaneously being critical of it.

Yet, this classification is not without its own problems. Specifically, it ignores any variation of economic development within nation states (Sassen, 1991; Wallerstein, 1987; Weiss, 2005). Wroclaw’s position within Poland is a good example of this, whereby the city can be considered to be one of the most economically developed cities within Poland and some may even question whether it merits the label “semi-periphery”. Indeed, Wroclaw has been a benefactor of huge levels of direct foreign investment by transnational corporations (Klimek, 2017), looking to outsource operations, and attracted by its composition of “concentrated competitive advantages” (Scott, 1998, p. 155), namely membership of the EU, proximity to Western Europe and a plentiful supply of affordable, educated labour. But despite benefiting from the decentralization of other parts of the supply chain (Sassen, 1991), its support role somewhat signifies its more peripheral position compared to the “global cities” of New York, London and Tokyo. As such, and in-keeping with Wallerstein’s own use of the terms as relational, the label “semi-periphery” is applied to Wroclaw and Poland in order to express the gap between their position and that of economically more developed cities and nation-states.

**Literature review**

Within the literature, migrant entrepreneurship studies have largely focused upon migration in a (semi-)periphery-to-core direction (Ilhan-Nas et al., 2011; Dheer, 2018). Within such contexts, it has often been found that migrants are disadvantaged compared to the native population (Clark and Drinkwater, 2010; Andrejuk, 2016). Specifically, they have been shown to have low levels of financial capital (Wilson and Portes, 1980; Light et al., 1994; Kloosterman, 2010), human capital (Johnson, 2000; Kloosterman and Rath, 2002) and host country cultural capital (Nee and Sanders, 2001), while often compensating for this via high levels of co-ethnic social capital (Min and Bozorgmehr, 2000; Drori and Lerner, 2002; Portes and Shafer, 2007; Ram et al., 2008). This has formed the backdrop against which some of the leading theories within the field have been formulated. The most obvious is that of Disadvantage Theory (Light, 1979; Johnson, 2000; Clark and Drinkwater, 2010) which attributes high rates of entrepreneurship among migrant groups to disadvantages which “block” them from accessing mainstream labour markets. But, as a study which focuses upon migrants’ ethnic division of labour, there is another theory which is even more relevant, namely, Ethnic Enclave Theory (Wilson and Portes, 1980; Light et al., 1994; Portes and Shafer, 2007). Here, as
a result of the dominant-subordinate contexts within which this theory was created, it will be argued that it contains hidden assumptions surrounding migrants’ ethnic division of labour.

First, it has often been found that migrant entrepreneurs hire co-ethnic employees (Wilson and Portes, 1980; Light et al., 1994; Werbner, 2001; Rametse et al., 2018). This reliance upon co-ethnic labour is one of the central premises around which Ethnic Enclave Theory was formed. Indeed, within a geographically concentrated clustering of immigrants, “enclave entrepreneurs can cheapen labor costs ... by the exploitation of the more vulnerable immigrant labor force” (Wilson and Portes, 1980, p. 315), as well as providing additional benefits such as loans, advice and providing a source of buying and selling products or services (Zubair and Brzozowski, 2018). Examples of such enclaves include Cubans in Miami (Wilson and Portes, 1980), Koreans in Los Angeles (Min and Bozorgmehr, 2000) and Arabic communities in Israel (Drori and Lerner, 2002).

Second, ethnic enclaves have often been described as being at the “lower end” of host country societies, whereby migrant entrepreneurs’ networks of underprivileged co-ethnic labour not only enables them to offer cheaper prices (Drori and Lerner, 2002) but also can hold back business development (Portes and Sensenbrenner, 1993; Flap et al., 2000) and, subsequently, “breaking out” from these enclaves is invariably seen as “progress” (Ram and Hillin, 1994; Engelen, 2001; Drori and Lerner, 2002; Ndofor and Priem, 2011; Arrighetti et al., 2014).

Such findings have largely been mirrored in Poland, despite presenting a semi-periphery context. Here, research has centred around Ukrainian (Andrejuk, 2018, 2019; Borkowski et al., 2021), Vietnamese (Brzozowska and Postula, 2014; Andrejuk, 2016; Brzozowska and Glinka, 2019; Tien, 2019, 2021), Chinese (Andrejuk and Oleksiyenko, 2018; Brzozowska, 2018; Bashko, 2021) and Middle-Eastern (Zubair and Brzozowski, 2018; Brzozowski, 2018) migration to Poland. Within such contexts, whereby the migrants are in general still moving to an economically more developed country, researchers have shown how migrants can be disadvantaged and blocked from the mainstream job market (Andrejuk, 2016; Borkowski et al., 2021), constitute a source of affordable labour and products (Andrejuk, 2016).

But, importantly, is the same true of migrant entrepreneurs in an “inverse” core-to-(semi-) periphery context? Returning to the hypothetical example of the Irish migrant entrepreneur who moves to Poland, would they also have access to plentiful supply of affordable co-ethnic labour? And would a pool of Irish labour in Poland be considered to be the “lower end” of the economy? Despite only a handful of studies having been conducted in such contexts, the early indications are that it seems unlikely.

Indeed, starting within the Polish literature, Andrejuk’s (2017) comparative study of migrant entrepreneurs in Poland from pre- and post-EU accession revealed how, in contrast to the wider literature, “career trajectories of EU-15 nationals are not necessarily dependent upon integration efforts” (Andrejuk, 2017, p. 559), subsequently questioning the assumption that integration with the mainstream society is economically desirable for migrants. Moreover, the study found that these EU-15 benefited from cultural hierarchies, somewhat turning the idea of the “disadvantaged migrant” on its head.

Looking beyond Poland to studies of migrant entrepreneurship in other core-to-(semi-) periphery contexts, these have made even greater inroads in challenging mainstream understandings of ethnic economies. First, these studies have lent support to the idea that migrants cannot be assumed to be disadvantaged and in fact can even be privileged (Verver et al., 2019; Mombeuil et al., 2021). Such findings have been reflected in the labels applied to these migrants, such as “expat-preneur” (Vance et al., 2016; Selmer et al., 2018) and “descending diaspora entrepreneurs” (Harima, 2015), revealing a dichotomy within the field of migration and hinting at broader inequalities. Second, for such privileged migrants, it cannot be assumed that, for them, co-ethnic labour will be either plentiful or affordable. Harima’s (2015) case study of Japanese migrant entrepreneurs in the Philippines, for example,
showed how they lacked a plentiful supply of affordable co-ethnic labour and – in lieu of this – hired the comparatively more affordable native (Filipino) labour. Despite these insightful observations, the study relies on a research group of just four migrant entrepreneurs and, as such, additional research is required before any broader generalizations can be made.

Outside the scope of migrant entrepreneurship, it is easier to find more examples of studies in core-to-(semi-)periphery contexts. These have largely centred around the topics of post-colonial migration and “lifestyle migration”, whereby privileged migrants from core countries move to more affordable destinations, usually with a more desirable climate (Benson and O’Reilly, 2018; Torkington, 2010). Despite not focusing on entrepreneurship, they have highlighted interesting dynamics surrounding core-to-(semi-)periphery migration in terms of privilege and class (Sklair, 2012; Leonard, 2010, 2016), ethnicity (Fechter, 2005) and gender (Fechter and Walsh, 2010; Wang, 2013).

At this point, it should be clarified that there are, of course, exceptions within both groups of studies, whereby not all those from core-states are privileged (Hayes, 2015) and not all those from periphery-states are disadvantaged (Saxenian, 1999, 2002). However, the general trend remains that studies of core-to-(semi-)periphery migration are beginning to reveal hidden assumptions within the mainstream (semi-)periphery-to-core literature, notably regarding notions of disadvantage and – of particular relevance to this paper – migrants’ ethnic division of labour.

In consideration of the above, this study fits within the literature as follows. First, it answers calls for more studies of migrant entrepreneurship within a Polish context (Borkowski et al., 2021). Second, it helps to address a gap within the wider literature in terms of migrant entrepreneurship outside of core-state contexts (Dheer, 2018). In doing so, it extends the scope of previous studies of migrant entrepreneurship (Harima, 2015; Vance et al., 2016; Andrejuk, 2017) and makes efforts to position them within the theoretical landscape.

Methods
This study is part of a wider dataset collected by the author, but for the purposes of this paper focuses upon the data relating to just one variable, namely, migrants’ ethnic division of labour. It is a qualitative, comparative and exploratory study with the fieldwork taking place between October 2018 and May 2020. Here, it should be noted that, although the dates coincide with the COVID-19 pandemic, the large majority of data was gathered prior to the onset of the pandemic, with only supplementary follow-up interviews being conducted in 2020 in order to ascertain how it was affecting business operations.

The primary data set stems from qualitative interviews with 65 migrant entrepreneurs who were purposefully selected [8] (Patton, 2002; Creswell, 2003) in accordance with the subjects meeting certain criteria, namely running their own business, residing in Wroclaw and originating from a “core” or “periphery” state (as previously defined in the “Definitions” section of this paper). Of the 65 interviewees, 41 were from core-states (the UK, the USA, Italy, France, Germany, Ireland, Finland, Portugal, Canada, Australia and Israel) and 24 from periphery-states (Ukraine, Belarus, India, Nigeria and South Africa), as shown in Table 1. The rationale underlying the selection of these two subject groups (core vs periphery) is as follows. The purpose of this study was to break from scholars’ tendency of focusing on migration in (semi-)periphery to core contexts and, instead, explore migration in an inverse context. This accounts for the selection of the migrant entrepreneurs from core-states. As for those from periphery-states, they were included so as to provide a comparative point of reference against which the situations of those from core-states could be positioned. Moreover, by researching both subject groups in the economic middle-ground of Wroclaw [9], Poland, it provides a situation in which – in the words of Harima (2015) – both “ascending” and “descending”
migrant entrepreneurs can be observed in the same location, thereby somewhat “fixing” the variable of the environment.

It should be acknowledged, however, that many of the core-state subjects originate from within the EU, while all of those from periphery-states are not, which raises questions about an uneven comparison in terms of their position within the institutional context. Those originating from a nation-state within the EU, for example, are entitled to the same rights as Polish citizens in terms of residence and the ability to set up companies, while those originating from outside the EU usually face restrictions and, in most cases, are not permitted to open their own sole proprietorship [10]. However, this is not always the case. First, those with student visas are exempt from the law. Second, those from Belarus and Ukraine are entitled to Polish residency and citizenship if they can prove that they have relatives originating from former Polish lands. In fact, most of the migrant entrepreneurs in this study were running sole proprietorships, inherently revealing how those from outside of the EU had taken advantage of one of these three options. In this sense, it presents a more even comparison between the two subject groups, while not denying the important role played by the institutional environment.

During the qualitative interviews, the subjects were asked a range of open-ended questions relating to their lives, businesses and employment practices in Poland. All interviews were subsequently transcribed and codified according to organizational categories. Such categories “function primarily as abstract “bins” for sorting the data for further analysis” (Maxwell and Chmiel, 2014, p. 25). For example, with regard to the migrants’ labour-sourcing practices, these categories included: employs co-ethnic; employs Polish; employs third-party nationals and no employees. Here, “employees” are considered to include both official employment and unofficial employment, as well as work contracts of a temporary nature.

In order to complement the data gathered from the two subject groups, additional information was also collected from a range of other sources. This consisted of qualitative interviews with almost one dozen local organizations which have regular contact with migrants and migrant entrepreneurs, such as the City of Wroclaw, various chambers of commerce, as well as a number of NGOs. It also included a collection of posts from a number of online “expat” Facebook groups (e.g. “Wroclaw expats”) and news outlets (e.g. “WroclawUncut.com” and “NotesfromPoland.com”. In addition to broadening the origin of research data, these alternative sources have the benefit of improving the validity of the study, as themes uncovered in the primary (interview) data could later be triangulated with these secondary sources of data (Creswell, 2003).
Overview of the research sample

Notably, and perhaps quite fitting for a study which concerns itself with scrutinizing those often at the top of power hierarchies, almost all of the subjects (40 out of 41) from core-states are male. This trend is similar among those from periphery-states (18 out of 24). Although there was no deliberate gender sampling strategy, such a gender imbalance can be partially explained by quantitative migration data from the Polish Office for Foreigners, which shows how migrants are indeed more likely to be male [11].

In terms of industry sector, there are some broad variations between the two subject groups. For example, migrants from core-states are better represented within the “professional activities” and “information and communication” sectors, while the majority of those from periphery-states are located within the “gastronomy”, “wholesale” and “construction” sectors, as shown in Figure 1. For the most part, these variations seem to mirror the wider, macro-level situation whereby, for example, economies in core-states usually have a higher percentage of people employed in high skilled tertiary sectors [12], so, as a result, one might expect migrant entrepreneurs from core-states to be more active in these industries.

In terms of the subjects’ forms of capital (financial, human, social and cultural) (Light and Gold, 2000) [13], much of the data was actually collected during the qualitative interviews but, considering the purpose of the study is to focus upon two other variables, and not migrants’ forms of capital, a short summary is provided here in the “Methods” section for the purposes of describing the research sample. Perhaps surprisingly, the two subject groups are largely similar in terms of human and financial capital (e.g. with over 80% of both groups having obtained some kind of university education). Importantly however, in terms of social and cultural capital, the subject groups vary in the geographical origin of such capital with, as would be expected, those from core-states more likely to have creator core-state social networks and speak core-state languages, such as English, while those from periphery-states were more likely to have greater periphery-state social networks and speak languages from these regions (Russian and Ukrainian, for example).

Findings

The core-states subject group

As shown in Table 2, 20 (49%) of migrant entrepreneurs from the core-states subject group employ a (predominantly) native Polish workforce, while only 15 (12%) employ (predominantly) co-ethnic labour. The remainder (32%) was found to have no employees at all. The reasons underlying this trend (of not hiring co-ethnic labour and, instead, opting for native, Polish labour) are now elaborated upon below. As a point of entry, we start with the words of Giovanni, an Italian migrant entrepreneur who is representative of the trend of employing a Polish workforce.

Co-ethnic (core-state) labour as more expensive

All [my employees are] Polish . . . . Polish programmers . . . would give me a fair price . . . My clients are Italian, but I try to do everything, as much as I can, in Poland. (Giovanni, Italy, IT company)

Giovanni states that Polish programmers would give him a “fair price”. In other words, their labour is cheaper. This theme, that Polish labour is more affordable than co-ethnic (core-state) labour, is a recurring one among many of the other migrant entrepreneurs from core-states. It is perhaps most noticeable not when these entrepreneurs are hiring cheap, Polish labour, but rather, when they need to hire comparatively expensive co-ethnic labour. This was the case for Roberto, also from Italy, who is running his own Italian restaurant in Wroclaw:
Figure 1. The industry sector of the migrants included in the research sample.
Our [Italian] chef is very expensive because we have to give him money with Euro. But if you want to have a real Italian place, you have to pay this price. (Roberto, Italy, Italian restaurant)

Here, Roberto has to pay *above average wages* to retain an Italian chef. This is perceived as a necessary expense to provide his customers with authentic Italian food. Importantly, this seems to be in direct contradiction to one of the basic assumptions of Ethnic Enclave Theory, namely that co-ethnic labour is more affordable than mainstream native labour (Wilson and Portes, 1980; Kloosterman et al., 1998). Moreover, it contradicts the wider narrative of how migrants supposedly “steal” the jobs of native employees by under-cutting their wages. On the contrary, in the case of migrant entrepreneurs from core-states in the context of Wroclaw, it seems to be back-to-front, with these migrants commanding higher wages than the mainstream, native workforce. Indeed, in the words of another migrant from the core-state subject group: “people from the West expect higher salaries”.

**Co-ethnic (core-state) labour as NOT plentiful**
Supplies of co-ethnic labour for migrant entrepreneurs from core-states were found to be very limited. According to migration figures from the Polish Office for Foreigners (Figure 2), the number of core-state migrants legally registered in Lower Silesia (the Voivodeship in which Wroclaw is located) is relatively modest. During the time of the study (in 2019), for example, the most populous groups were from Germany (2,116), Italy (1,313), Spain (1,254) and France (630).

This lack of co-ethnic labour provides an additional reason for why migrants from core-states seem less likely to employ such labour. With co-ethnic labour in short supply, they seem to turn instead to a plentiful supply of native, Polish labour. This idea of Polish labour being selected for its plentiful supply, and not simply its affordability, was also a recurring theme. Igor (Finland), who runs a consultancy helping Finnish companies to conduct business in Poland, explains:

> In the IT world it is not anymore near-sourcing . . . It’s not anymore an issue of cost. It’s an issue of getting people . . . They do not come here for cheap labour, they come here to grow. (Igor, Finland, business consultancy)

Igor is one of several migrant entrepreneurs from the core-state subject group, as well as representatives from third-party organizations, such as the American Chamber of Commerce, who point out the growing cost of labour in Poland which has led to it becoming less of a primary factor in the hiring of Polish labour. Instead, as Igor points out, for many of them it is now more about the *availability* of labour.

**Other reasons**
At this point, it should be made clear that what has been described so far are the overall *trends* of the core-states subject group. There were, however, a small number of migrants from this group whose reasons for hiring native, Polish labour were not necessarily rooted in its

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<tr>
<td>Migrants from core-states</td>
<td>13 (32)</td>
<td>20 (49)</td>
<td>5 (12)</td>
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<tr>
<td>Migrants from periphery-states</td>
<td>12 (50)</td>
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**Source(s):** Data collated from the qualitative interviews with the migrant entrepreneurs in this study
plentiful supply or affordability. One such example is Anna, who employs Polish staff at her arts and crafts store, states:

My employees are Polish. They do speak English . . . We have enough English-speaking clients that you need to know enough English to be able to explain things and answer questions and not panic and this is essential. (Anna, USA, arts and craft store)

Anna’s company is simultaneously servicing Polish and non-Polish clients, which is why both English and Polish language skills are required. As such, her reasons for hiring native, Polish labour seem less about Polish labour being affordable and plentiful and, instead, more about finding staff with the language skills necessary to access both an international and Polish clientele.

The periphery-states subject group.

They [my employees] are all Ukrainian. I am not against employing Polish, but they are not willing to work for the wages I pay. Plus it’s just easier hiring from the people I know who are mainly Ukrainian. (Bogdan, Ukraine, hairdressing salon)

Switching the focus to the migrant entrepreneurs from the periphery-states subject group, here it is asked if they also predominantly employ native, Polish labour. The answer, in short, is no. Unlike the migrant entrepreneurs from the core-states subject group, the majority of them who have employees seem instead to opt for co-ethnic (periphery-state) labour. Referring back to Table 2, it can be seen that 11 (46%) of the migrant entrepreneurs from the periphery-states subject group hire predominantly co-ethnic employees, whereas only one (4%) hire a predominantly Polish workforce. How and why this varies to the core-state subject group will now be explored below, starting with Bogdan (Ukraine, quoted above) as a point of entry.

Co-ethnic labour as more affordable

Bogdan’s words reveal how his co-ethnic, Ukrainian employees are more willing to work for the apparently low wages he pays. As such, in contrast to those from core-states, Bogdan’s behaviour seems to be more in line with the labour practices described in the mainstream literature, whereby co-ethnic migrants can provide a source of more affordable labour
(Wilson and Portes, 1980; Kloosterman et al., 1998). It is a similar story for Pavlo, also from Ukraine, who runs a small construction firm and also employs co-ethnic Ukrainians. Like Bogdan, he does this because he can pay them less. This is possible, he confides, because they are also Ukrainian, so he can trust them, which means he can pay them under-the-table, subsequently avoiding taxes. This also lends support to other scholars’ findings of higher levels of trust within ethnic groups sharing the same language and culture (Aaltonen and Akola, 2018; Vershinina and Rogers, 2020) and how it can be exploited (see Rath, 2000, p. 6) to add an extra level of economic concession upon an already comparatively affordable source of labour.

A plentiful supply of co-ethnic labour
For Bogdan, in addition to co-ethnic Ukrainian labour being more affordable, it seems that it is also “easier” for him to access. He states that, “it’s just easier to hire from the people I know”, suggesting that he has a plentiful supply of co-ethnic labour within his social network. This theme, of leveraging one’s social capital to hire co-ethnic labour, was also recurring. Danilo (also from Ukraine) employs four people at his construction company, all of whom are Ukrainians “from friends and … family”. Danilo’s and Bogdan’s situations seem understandable within a wider perspective, whereby they are two of thousands of Ukrainian migrants who have moved to Wroclaw in recent years. Indeed, as can be seen in Figure 3, the number of Ukrainians legally registered in Lower Silesia has been rising sharply with the total standing at 16,876 during the time of the study (in 2019).

Despite politico-institutional barriers requiring work visas and leading to one of the longest waiting times in Europe [14] with an average of 328 days in 2018 [15], many of these periphery-state migrants do eventually formally enter the labour market. The resulting plentiful supply of co-ethnic labour is in line with other studies which have found high rates of co-ethnic employment within larger, co-ethnic migrant groups (Portes and Sensenbrenner, 1993; Flap et al., 2000; Andrejuk, 2016). This is in direct contrast to those from core-states who, as noted previously, seem to be part of much smaller migrant groups, resulting in their supply of co-ethnic labour, at least on a local level, being far less plentiful.

![Figure 3. The number of periphery-state migrants legally registered in Lower Silesia](Image)

Source(s): Polish Office for Foreigners (2020)
**Other reasons**

As with the migrants from the core-states subject group, there were of course a variety of other (albeit less common) reasons underlying their hiring practices. Indeed, for Olek (Ukraine), despite also following the trend of hiring co-ethnic (Ukrainian) labour, his reasons for doing so seem less about its affordability and availability and more about linguistic factors:

> We did a renovation, the building contractors were also from Ukraine . . . Everything was through [Ukrainian] friends, because it’s difficult without Polish . . . . (Olek, Ukraine, cafe and e-scooter recharging firm)

Here, for Olek, hiring co-ethnic building contractors was more about the ability to communicate with them in Ukrainian and Russian. At first sight, this lends support to other studies which have highlighted how a shared language and culture increases the chance of hiring co-ethnic labour (Clark and Drinkwater, 2010). Yet, interestingly, as my conversation with Olek continued, it became clear that there was perhaps an even more pragmatic reason for hiring co-ethnic Ukrainians:

> [I] sometimes [hire] Polish, but the problem is they can then just open their own company. So in general I employ Ukrainians. (Olek, Ukraine, e-scooter recharging)

In other words, he tries to avoid hiring Polish employees as a way of reducing the risk of them being disloyal to him and competing against him. Instead, he hires Ukrainians on work-visas without Polish passports or permanent residency cards. So, in this example, Olek’s trust of co-ethnic labour is apparently not based upon a shared language and culture, as highlighted in other studies (Aaltonen and Akola, 2018), but rather in the lack of their legal capacity to formally compete against him. Regardless, the point here is that migrants from the periphery-states subject group are, at times, motivated to hire co-ethnic labour for reasons other than its plentiful supply and relative affordability.

**Exceptions**

Despite the majority of those from the periphery-states subject group predominantly hiring co-ethnic labour, there were also several exceptions, whereby a small number of them were found to be employing native, Polish labour. Petro (Ukraine) is one of these exceptions. He has a construction company with 30 employees, five of whom are Polish. These five employees work in the office and it is their job to communicate with Polish clients, whereas the other 25 employees are all Ukrainian and work on the construction site. Petro explained that these Polish office employees are more expensive than his Ukrainian construction workers, but that he needs to employ them because he needs their language skills to interact with the Polish clientele. In this sense, his company presents a Polish “face” to the predominantly Polish clientele, while engaging co-ethnic labour on the supply side. On first impression, this seems to mirror the situation of Anna (outlined previously) who hires Polish employees for their ability to communicate with her predominantly Polish-speaking clientele. And, collectively, these examples lend support to other studies which have highlighted the vital role of host country language skills in accessing host country markets (Altinay and Altinay, 2008; Arrighetti et al., 2014). But, upon closer examination, there remains a difference between the situations of Anna and Petro. Crucially, for Petro, hiring Polish labour appears to be a more expensive endeavour, relative to the cost of co-ethnic labour, whereas for Anna and many of the other migrant entrepreneurs from the core-states subject group, hiring Polish labour seems to be the exact opposite, namely, less expensive. At this point, we begin to see the outline of a labour hierarchy, whereby labour from core-states is considered expensive, labour from periphery-states is considered to be affordable, and native Polish labour is apparently somewhere between the two.
Discussion
The findings of this study are at odds with the mainstream literature surrounding migrant entrepreneurship in two main ways. First, it was shown how migrant entrepreneurs from the core-states subject group seem less likely to hire co-ethnic labour and, instead, more likely to opt for the comparatively more affordable native, Polish labour. This finding undermines ideas about ethnic economies constituting a source of cheap labour and products (Wilson and Portes, 1980; Light et al., 1994; Drori and Lerner, 2002; Portes and Shafer, 2007; Andrejuk, 2016). Indeed, here it seems to be flipped with core-state migrant labour and their businesses offering the opposite, namely, comparatively expensive labour and products. In this sense, it appears to represent some kind of “ethnic economy in reverse”.

Second, with regard to the finding that core-state labour was not plentiful, at first glance this resembles other studies within Poland whereby migrants do not have a plentiful supply of co-ethnic labour (Zubair and Brzozowski, 2018; Borkowski et al., 2021). In these studies, however, migrants’ behaviour remains different, whereby instead of hiring native Polish labour, they were found to rely upon other minority groups [16].

While the study presents findings at odds with the mainstream literature, they lend support to the handful of studies which have been conducted within other core-to-(semi-)periphery contexts. Specifically, the findings broadly mirror those of Harima’s (2015) case study of Japanese migrant entrepreneurs in the Philippines whereby, owing to a lack of affordable co-ethnic Japanese labour, they were found to hire native Filipino labour instead. Moreover, in finding that migrants cannot be assumed to constitute a plentiful supply of affordable labour, this study lends support to the wider migration literature situated core-to-(semi-)periphery contexts which has begun to question the assumption of migrants as a disadvantaged group (Vance et al., 2016; Andrejuk, 2017) and, in doing so, shines a light on the heterogeneity of migrants in general (Oliveira, 2007).

Conclusions
Contribution to knowledge achieved
This study has contributed to the migrant entrepreneurship literature in two main ways. First, it adds to the relatively small number of studies of migrant entrepreneurship in Poland (Borkowski et al., 2021). Second, it has helped to address a gap in the literature surrounding migration in a core-to-(semi-)periphery direction not only in Poland but also within the wider literature (Dheer, 2018).

In doing so, the study found that, while the migrant entrepreneurs from the periphery-state subject group largely lent support to the mainstream (semi-)periphery-to-core literature, those from the core-state subject group were found to undermine mainstream understandings of ethnic economies. Specifically, the findings challenge the idea that ethnic economies constitute a plentiful supply affordable labour and products (Wilson and Portes, 1980; Light et al., 1994; Drori and Lerner, 2002; Portes and Shafer, 2007; Andrejuk, 2016), as core-state labour was found to be comparatively less plentiful and more expensive and, instead, these core-state migrant entrepreneurs were found to be more likely to opt for native, Polish labour. Moreover, as an explorative qualitative study, it offers insights into reasons underlying this variation. While those from core-states consider Polish labour to be comparatively affordable, for those from periphery-states it seems comparatively expensive and, subsequently, they leverage their social and cultural capital as a bridge to a plentiful supply of affordable co-ethnic labour.

Implications
These findings create implications for both theory and policy. With regard to the former, the study presents a picture of “an ethnic economy in reverse”, whereby migrants cannot be
assumed to be disadvantaged, nor assumed to constitute a plentiful supply of affordable labour. These findings raise serious questions around the universality of certain migrant entrepreneurship theories, such as Disadvantage Theory (Light, 1979; Johnson, 2000; Clark and Drinkwater, 2010) and Ethnic Enclave Theory (Wilson and Portes, 1980; Light et al., 1994; Portes and Shafer, 2007) which have been rooted within Western-centric (semi-)periphery-to-core migratory contexts and, as a result of this, seem ill-equipped to account for more privileged forms of migration in reverse core-to-(semi-)periphery contexts.

With regard to the latter (policy), there are subsequent implications “on the ground” for policymakers in (semi-)periphery-states. With so many governments looking to migrant entrepreneurship as a source of economic development (Acs and Szerb, 2007; Collins, 2003; Collins and Low, 2010; Desiderio, 2014), policymakers may need to carefully consider if theories rooted in core-states are also applicable in other contexts.

Limitations
The study is restricted to just one aspect of the ethnic enclave economy, namely, migrant entrepreneurs’ ethnic division of labour, and provides only limited data on other aspects, such as financing, suppliers and partnerships. Moreover, due to the explorative and qualitative nature of the study – with snowballing and non-random samples – the generalization of results is impossible. Here, however, this exploratory study was more about “understanding rather than measuring difference” (Lewis et al., 2003, p. 50) with the focus on the depth and detail of the particulars and not generalizability (Greene and Caracelli, 1997). In this sense, even though the study might not be numerically representative, it could well be representative of underlying causal mechanisms which help to explain the “how” of broader social phenomena (Lin, 1998).

Further research opportunities
This study has helped to fill a gap in the literature regarding migrant entrepreneurship in an “upside down”, core-to-(semi-)periphery migratory context. Yet it has only touched on one aspect (migrants’ ethnic division of labour) within a specific context (Wroclaw) and with a specific (qualitative) methodology. As such, many other aspects of migrant entrepreneurship and contexts remain largely unexplored (Dheer, 2018). Here, scholars might consider researching core-to-(semi-)periphery migrant entrepreneurship in other areas of the world and, in doing so, begin to gather more data against which the existing studies in this line of research can be situated.

Notes
1. See UN DESA (2020) whereby migration is described as “South-North”, “North-South”, “South-South” and “North-North”.
2. See the section “Definitions – core, semi-periphery and periphery” for exact figures.
3. Portes and Shafer (2007) point out that, despite co-ethnic employees often being willing to work longer hours and for lower wages, they do so in return for acquiring skills, which they later put to use creating their own enterprise, subsequently leading to positive long-term economic payoffs.
4. 5% (13.6 million) of the global migrant stock of 272 million migrated in a North-South direction (UN DESA, 2020).
5. The categorization of Wroclaw as “semi-periphery” is discussed in the “Definitions” section.
6. UN DESA (2020).
8. These migrant entrepreneurs were purposefully selected from a list of 970 migrant entrepreneurs provided by the Statistical Office in Wroclaw, as well as migrant networking events, Google My Business, LinkedIn and from referrals (i.e. the Snowball method).

9. Albeit acknowledging variation within Poland and Wroclaw’s rapid move away from the periphery, as noted in the “Definitions” section of this paper.


11. Specifically, for the year of 2019, male migrants from core-states such as Germany, Italy and the UK outnumbered their female counterparts by about 3:1, while for those from the Ukraine it was closer to 3:2.


13. This typology closely relates to the ideas of Bourdieu (1986). Light and Gold (2000), however, apply this typology specifically towards the phenomenon of migrant entrepreneurship and, as such, citing their work seems more relevant to this study than citing Bourdieu.


16. As a side note, it seems worth pointing out the discrepancy between the findings of this study that there is a plentiful supply of affordable co-ethnic labour for Ukrainian migrant entrepreneurs, while this was not found in, for example, Borkowski et al.’s (2021) study of Ukrainian migrant entrepreneurs. One reason, perhaps, could be that as the study relies upon data from 2013, the volume of Ukrainian migration to Poland was comparatively lower.

References


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Further reading


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