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Over the past two decades, in response to new patterns of global migration, migrant entrepreneurship and ethnic entrepreneurship literatures have developed as sub-streams of entrepreneurship studies. Within this existing body of knowledge, there have been important theoretical developments focusing on concepts such as structure and agency (Giddens, 1991), the notion of ethnic enclaves and the existence of an ethnic economy (Portes and Jensen, 1992; Light et al., 1994); Bourdieu’s conceptions of forms of capital and habitus (Bourdieu, 1986, 1990) and mixed-embeddedness (Kloosterman, 2010) that have sought to explain how migrants have settled in a variety of settings predominantly in the Global North and have engaged in entrepreneurship as a way to improve their economic conditions. Within this corpus of literature, there has been an over reliance on focusing on the power of social capital embedded in ethnic networks that offer ethnic advantages to migrant entrepreneurs. More recently, these ideas have been challenged (Ram et al., 2017) owing to changes to contemporary societal processes. Such processes include the further racialization of society, global migration trends and market ghettoization, the gendered structured nature of migration and the changing role of regulations. As a result, there is a clear intellectual need to engage more deeply with complex theoretical constructs in terms of capital, thereby shifting focus to understanding cultural and symbolic capital, currently under-researched (Rodgers et al., 2019) understanding different strategies of migrant integration into society through bricolage and patchworking (Villares-Varela et al., 2018) and calls for an incorporation of historical perspectives and better understanding of varieties of context, not only from the geographies that migrants leave behind but also including geographies of the receiving societies and different patterns of entrepreneurial activity.

The aim of this special issue is to contribute to a growing strand of academic literature, which recognises the social and cultural contexts in which entrepreneurial endeavours take place (Bruton et al., 2010; Jennings and Brush, 2013; Welter and Smallbone, 2006). Within this “social turn” in the study of entrepreneurship (Johannisson, 1995; Ansari et al., 2012; McKeever et al., 2014) there is a recognition of the “everyday” nature of many manifestations of entrepreneurial practices and the fact that the entrepreneurs themselves and the entrepreneurial processes and practices are not taking place in political, cultural or societal vacuums. Rather than simply accepting the traditional view of entrepreneurial activities involving the “super-hero” stereotype of the entrepreneur (Burns, 2001), a growing strand of critical entrepreneurship (Anderson et al., 2010; De Clercq and Voronov, 2009) calls for the recognition of the everyday (Johannisson, 2011) and mundane nature (Rehn and Taalas, 2004) of varied forms of entrepreneurship. In order to critically examine the dominant discourses of entrepreneurship, Steyaert (2005) argues for the need to explore diverse and alternative entrepreneurial individuals, processes and practices beyond the mainstream. Embracing the desire within the “European tradition” of entrepreneurship (Gartner, 2013; Down, 2013; McKeever et al., 2014) to look beyond the “mainstream” has led to calls for more academic interest in the “other” (Gartner, 2013) entrepreneurial individuals and practices living and taking place on the edges and margins of our societies (Watson, 2013; Imas et al., 2012).

To this end, taking the UK as a contextual example, over the past decade, increasing numbers of “new” migrants have arrived in the UK (Jones et al., 2014). This is explained by a rise in refugees and asylum seekers from war-torn countries (Edwards et al., 2016) and migration from the new EU member states (Vershinina et al., 2011; Ciupijus, 2011; Drinkwater et al., 2009; Khattab and Fox, 2016; Barrett and Vershinina, 2017). Despite the
growth of “new” migrant communities in the UK, within an “age of super-diversity” (Vertovec, 2007; Ram et al., 2017), such groups have rarely figured in contemporary debates on self-employment and/or entrepreneurship, other than in a few notable studies (Edwards et al., 2016; Ram et al., 2008).

Although migration seems to be absent from mainstream academic literature on business and management, the proponents of the “super diversity” paradigm (Vertovec, 2007) have argued that at present a number of important populations are either excluded from the research agenda, or appear rarely; voices which play a critical role in the fabric of multicultural society. For instance, in the field of business, the core concept associated with migration – “liabilities of foreignness” (Fang et al., 2013) – sees “difference and distance” as liabilities, whether they are national, cultural, geographic or semantic. Whilst existing research is valuable, recently it has been suggested that an emphasis on liabilities and adverse outcomes associated with such differences may hinder our understanding of the processes and conditions that help to leverage the value of diversity in a wide range of contexts. Moreover, the field of entrepreneurship, treats ethnicity in a negative light, and the theory exploring ethnic minority enterprises seem to highlight the negative effects of environment on ethnic migrants who set up and run businesses in new geographical locations. Researchers in entrepreneurship have the opportunity to examine the specific political contexts of excluded groups (new arrivals: legal, illegal and refugees) and pursue important theoretical and policy-related questions that cast light on the workings and complexities of modern economies around the world.

We received 34 submissions and through the rigorous double-blind review process, 18 strong papers have been included in this double special issue on “Migration, Enterprise and Society” theme. The first special issue “Global Dynamics” includes papers dedicated to understanding the global dynamics of migrant entrepreneurship, involving themes such as ethno-national variations of migrant entrepreneurs, the role of diasporic communities in supporting migrant entrepreneurship, a critique of the role of opportunity structures for migrants pursuing entrepreneurship. Moreover, we have included papers that develop further the concept of “breaking out”, have adopted a gendered lens for understanding migrant journeys into entrepreneurial activity and finally a paper presenting empirical analysis of the notion of return migration. We now briefly outline these contributions in turn.

The opening paper by Nazareno, Zhou and You presents an overview of the changing trends and ethno-national variations in order to explain the global dynamics of migrant entrepreneurship. The authors argue that there is heterogeneity of experiences and the changes in migration and integration trends as well as ethno-national variation are caused not only by unequal access to resources for individual entrepreneurs, but this is further exacerbated by structure in home and host environments and interactions between national, local and transnational global forces. Such a systematic literature review can provide an important insight into developments within the migrant entrepreneurship literature. Following this, we have two papers that focus on what happens to those communities that have settled in a new host context a long time ago. These papers look at how diaspora communities are developing ways to support entrepreneurship projects. Whilst Discua Cruz and Fromm focus on how highly skilled migrant diasporans re-invest into social entrepreneurial ventures in the local home country context, Ekanem in his paper offers important insights into how diaspora entrepreneurs within the context of emerging economies learn from early internationalisation ventures by pursuing “born-global” strategies rather than traditional, more staged forms of internationalisation. Three further papers explore the traditional migrant entrepreneurship concept of opportunity structure. First, Hagos, Izak and Scott, taking a social constructivist perspective, present evidence that the opportunity structure not only comprises of the objective institutionalised barriers but also is constrained by the more subjective performance measures of new migrants’ enterprises.
Second, Kazlou and Klinthall explore how shifts in the liberal regime for labour immigration to Sweden have impacted upon the self-selection of migrants into entrepreneurship in Sweden. Finally, Evansluong, Ramirez Pasillas and Bergström examine how the opportunity creation process leads to the integration of migrant entrepreneurs from different backgrounds into the new host environment. Of particular interest, is how the authors theorise the migrant acculturation process, focusing on three specific stages of breaking ice, breaking in and breaking out.

Moving on, the next two papers examine how specific markers of identity are implicated in the journeys of migrant entrepreneurs. Yeröz offers an intersectional analysis of migrant women’s cultural capital development not only through the lenses of gender and ethnicity but also considering the importance of social class. Hamid, O’Kane and Everett examine how ethnic migrant entrepreneurs utilise identity work to build legitimacy in host societies by balancing conformity and distinctiveness. Finally, Pauli and Osowska explore the experiences of return migrant entrepreneurs, paying particular attention to how the experiences of migration have enriched the entrepreneurial capitals available for these migrants upon returning to home countries and how entrepreneurial ideas have been formulated during the migration journeys.

The second part of the special issue, “Beyond the West” is dedicated to recognition of the importance of other contexts, politically and geographically, beyond the remits of the developed Global North. For the last few decades, research on migrant entrepreneurship has focused on understanding the motivations and engagement in entrepreneurship by a variety of ethnic groups, which have left developing countries and sought to settle within developed world contexts. Examples of prominent studies include Ram et al. (2008)’s study of Somalis in Leicester, Koreans in Los Angeles (Nee and Sanders, 2001) and Vietnamese in London (Bagwell, 2018). Such studies focused on how migrants developed businesses, which tended to be set up within ethnic enclaves and focused on the exchange of cultural goods. Within such studies, there was an exaggeration of ethnicity as a marker of identity that enabled these groups to coalesce around the ethnic locality. However, in recent developments, studies have started to move beyond focussing on solely the “co-ethnic” experiences and instead focus on the “co-migrant” experiences based on shared migrant journeys rather than ethnic similarities (Rodgers et al., 2019).

The opening paper in the second part of the special issue is Verver, Passenier and Roessing’s paper focusing on Belize and Cambodia. In both of these countries, the authors importantly outline the historic entrepreneurial trajectories of migrant entrepreneurship. Contrasting sharply to traditional studies on migrant entrepreneurs in the Global North, the authors showcase how migrant entrepreneurs comprise of business elites rather than solely individuals seeking out existences on the margins of society. Furthermore, the authors posit that the business activities of migrant entrepreneurs in these specific contexts are not confined to ethnic community boundaries.

Following this, we have included two papers on informal entrepreneurship. The first paper by Bisignano and El-Anis explores the different legal statuses of informal migrant entrepreneurs and how these markers impact upon the mixed-embeddedness of these migrants in social and economic contexts. Second, Afreh, Rodgers, Vershinina and Williams explore the multifaceted nature of context and its influence on motivations, decisions and actions of migrant youth entrepreneurship, underlining non-economic rationales for engaging in informal entrepreneurship in Ghana. Transnational entrepreneurship activity has been the focus of investigation by Santamaria-Alvarez, Sarmiento-González and Arango-Vieira who examine the case of Columbia and how transnational migrant entrepreneurs play an important role in overcoming difficulties within Columbia’s economic and social transformation.

The remaining five papers devote themselves to one of the most critical issues of contemporary migration, namely the displacement of refugees from a variety of war-torn countries. These studies adopted different methodologies and offer insights into strategies
and tactics adopted by refugee entrepreneurs to create entrepreneurial ventures, whilst being displaced. Crucially, the papers highlight how individuals, whilst on the margins of society, are still able to negotiate and reclaim their agency through a variety of ways. Heilbrunn focuses her attention on African refugees in Israel, who are engaging in “bricoleuring” by building an entrepreneurial marketplace on the edges of the state-run detention centre, thereby explicitly showcasing how individuals can enact entrepreneurship under extreme conditions. Meister and Mauer outline the findings of a five-month study in which refugee entrepreneurs have participated in an incubation programme, offered by the German state, arguing that incubators with a social purpose have the capacity to transcend the barriers that migrant entrepreneurs often experience in host societies. Cheung, Kwong, Manzoor, Rashid andKim provide another notable contribution which outlines how internally displaced individuals in Pakistan, Afghanistan and Syria, despite the lack of resources, create and develop social enterprises to serve the other displaced population in the war and conflict zones. Mawson and Kasem’s paper explores how Syrian refugees in the UK, taking part in the UK government’s Syrian Vulnerable Person Resettlement Programme, develop individual entrepreneurial potential and how their difficult journeys to the UK impact upon their strong intentions to engage in entrepreneurship. Finally, Alexandre, Salloum and Alalam focus on the intentions of Syrian refugees to engage in entrepreneurship in Lebanon, despite the constraints imposed upon them by strict regulations from the Lebanese state. The authors describe how the individuals rely on social bonds and collective culture as mechanisms to overcome the odds.

Overall, we hope that this special issue will engender fruitful discussions around contemporary issues of migration and entrepreneurship within the journal readership and beyond. One interesting contribution from the studies outlined in this special issue is the underlying importance of familial relationships in supporting entrepreneurial ventures and the emerging role of community within and across migrant groups with shared migration experience, beyond the narrow remits of the ethnic enclave, both used as a means to support fellow migrants, who are equally disadvantaged. The current literature often overlooks such emerging phenomena. We believe that the papers included in this special issue provide a guiding light and new directions and theorisations for further understanding of migrant entrepreneurship in a variety of different contexts around the globe.

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References


Global dynamics of immigrant entrepreneurship
Changing trends, ethnonational variations, and reconceptualizations

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Abstract
Purpose – The purpose of this paper is to review the existing literature on immigrant entrepreneurship since the mid-2000s to examine the changing trends, variations and theoretical advances in immigrant entrepreneurship in Western societies.
Design/methodology/approach – Using the SocIndex and Proquest Business Premium databases, the authors conducted a literature review of about 100 peer-reviewed articles published since the mid-2000s. The authors critically assess the main research findings, identify key concepts and models that have been developed over the past decade, and offer new theoretical insight into the ever-changing global dynamics of immigrant entrepreneurship. Although the focus is on the USA, the authors also include some seminal research based in other Western countries of immigrant reception.
Findings – Based on a critical review of existing research that has been published between 2004 and the present, the authors highlight main trends and variations of the entrepreneurial endeavors among diasporic migrants, address the emerging forces shaping immigrant entrepreneurship, highlight theoretical advances in the field of entrepreneurship studies, and suggest new directions for future research. The authors note that the changing trends and ethnonational variations are caused not only by unequal access to human capital, social capital, financial capital, and cross-border venture capital on the part of individual entrepreneurs, but also by differences in broader structural circumstances in the home country and/or host country and interaction between national/local and transnational/global forces. The authors discuss new theoretical advances, identify gaps and raise questions for future research.
Originality/value – The review offers important insight into the ever-changing local and global dynamics of immigrant entrepreneurship and broadens the established conceptual and theoretical models in the sociology of immigrant/ethnic entrepreneurship.

Keywords Immigrants, Entrepreneurship, International entrepreneurship, Ethnic groups

Introduction
For nearly a half century, concepts and theories on immigrant or ethnic entrepreneurship, including middleman minority, ethnic enclave, ethnic economy and ethnic niching, have shaped how we understand economic activities in immigrant and ethnic minority communities (Zhou, 2004). As is well known, immigrants are more likely than natives to participate in self-employment of different types. Recently, in the USA, immigrants owned more than a quarter of the newly established businesses, despite accounting for less than 15 percent of the total population (Bluestein, 2015). In recent years, we have witnessed remarkable shifts in immigrant entrepreneurship, from local, labor-intensive, service-oriented enterprises to global, knowledge-intensive, and professional services. For example, some of the largest US venture capital backed public high technology companies were started by immigrants, such as Intel, Solectron, Sanmina-SCI, Sun Microsystems, eBay, Yahoo! and Google (Anderson and Platzer, 2006). We have also observed the emergence of new immigrant entrepreneurs among national
origin groups that historically had low rates of self-employment, such as Mexicans and Filipinos, and among the newest of the more recent immigrant groups, such as Vietnamese, Cambodians, Bolivians, Ethiopians and Eritreans (Curtis, 2013; Eckstein and Nguyen, 2011; Hernan and Hondagneu-Sotelo, 2009; Idris, 2015; Nazareno, 2018; Price, 2012; Rangaswamy, 2007; Valdez, 2011; Vallejo and Canizales, 2015; Verdaguer, 2009). Immigrant-owned businesses have made tremendous contributions to the US economy, paying approximately $126 billion in wages and employing 1 in 10 Americans in the private sector in 2015 (Bluestein, 2015).

Previously, scholarly research on ethnic entrepreneurship examined the effects of structural opportunities and/or constraints on immigrants’ socioeconomic mobility within a national context in the receiving country. However, transnationalism has now become a key feature of international migration, involving individual migrants, diasporic communities, and national governments in the transnational social fields. These transnational fields are multiple interlocking networks of social relationships that are created by immigrants and their institutions (Levitt and Glick-Schiller, 2004; Portes et al., 2002; Portes and Fernandez-Kelly, 2015). Because of variations in the contexts of emigration and immigration, conditions in both the host and home countries can enable or constrain potential entrepreneurs to mobilize resources effectively for their entrepreneurial endeavor. This phenomenon is viewed as occurring within fluid social spaces that are constantly reworked through migrants’ simultaneous embeddedness in more than one society (Saxenian and Sabel, 2008; You and Zhou, forthcoming). For example, advancements in transportation and communication and their lowered costs have enabled individuals not only to migrate abroad for education, professional training, or work, but also to network and collaborate with their home country counterparts far more extensively than was possible in previous eras of international migration. From this perspective, immigrant entrepreneurship is affected not only by unequal access to human capital, social capital, financial capital and cross-border venture capital on the part of the individual, but also by differences in broader structural circumstances in the host country and/or home country and transnational forces. Thus, a broader lens offers a more comprehensive perspective on ethnic entrepreneurship and allows scholars to explore the dynamisms of self-employment in transnational social fields (Zhou and Liu, 2015).

This review departs from two major review articles published in International Migration Review (Rath and Kloosterman, 2000; Zhou, 2004). It pays special attention to the transnational perspective and to the role of the institutionalized welfare state framework. We first examine the changing dynamics in immigrant entrepreneurship, focusing on the trends and variations of entrepreneurial development that vary by national origin. We then identify new concepts and models that have been developed over the past decade to explain these changing trends and variations. Third, we discuss the interaction between national/local and transnational/global forces and new theoretical advances. We conclude by identifying gaps and raising questions for future research.

Methodology
This review builds on two International Migration Review essays – “Outsiders’ Business: A Critical Review of Research on Immigrant Entrepreneurship” (Rath and Kloosterman, 2000) and “Revisiting Ethnic Entrepreneurship: Convergences, Controversies and Conceptual Advancements” (Zhou, 2004). Our goal is to critically examine findings from existing research that has been published since the mid-2000s to address the divergent patterns and emerging forces shaping immigrant entrepreneurship. We limit the published works for this review to peer-reviewed academic journals in social science and business fields. In so doing, we conducted a search in SocIndex and Proquest Business Premium Collection. Within both databases, we applied Boolean search terms including the following syntaxes: "ethnic* OR "immigrant OR transnational” AND “global*” AND "entrepreneur* OR international
business enterprises” AND “computer OR tech*” AND “united states NOT histor*” to identify all publications, published since 2004, that contained ethnic, immigrant, transnational, entrepreneur, international business enterprises, computer, tech and related terms such as ethnicity, globalization, globalized, entrepreneurship, entrepreneurial, technology in the publication’s title, keywords, or abstracts. We specifically focused on articles on contemporary immigrant entrepreneurship that had a USA connection. However, we also included relevant publications that examined emerging transnational entrepreneurs in other Western countries of immigrant reception. We imported each set of results into the reference manager software Zotero, deleted duplicates and our initial search yielded 263 articles. Afterward, we read through abstracts, and in some cases the full article, to decide what to include or exclude in our review. We excluded articles that discussed international business enterprises but had no direct relationship to immigrant or ethnic entrepreneurs. Our final data set comprised of about 100 publications in peer-reviewed academic journals. We coded our final data set and examined themes emerging from the publications. We then classified them by the following: changing trends and varied patterns, causes of change and variations and new theoretical advances.

Findings
Changing trends in immigrant entrepreneurship
The early literature on ethnic entrepreneurship primarily focused on two major types of ethnic economies: middleman-minority entrepreneurship and ethnic-enclave entrepreneurship. Middleman-minority entrepreneurs acted as intermediaries between dominant-group producers/retailers and minority-group consumers. They were usually concentrated in retail and services at the low end, serving immediate consumer needs in underserviced and disinvested neighborhoods in urban areas plagued with poverty, crime, and social disorganization (Bonacich, 1973; Zhou, 2004). Middleman-minority entrepreneurs shared little cultural affinity with their clientele who are non-coethnic group members. They were not connected to the social structures of the communities where their businesses were located. Thus, they were susceptible to interethnic tension and conflict (Min, 1996). In contrast, ethnic-enclave entrepreneurs mainly operated businesses in their own ethnic enclave. Although some businesses were similar to those run by middleman entrepreneurs, the economic activities of enclave entrepreneurs were broader and more diverse, including not only retail and services but also production, and serving not only co-ethnic members but also non-coethnic members of diverse social class statuses living in and out of the enclave. More importantly, they were tied to the social structures of their ethnic community, bounded by ethnic solidarity and enforceable trust (Portes and Zhou, 1992). Regardless of the type of entrepreneurship, the conventional view is that ethnic entrepreneurs were small business owners who relied on unpaid family labor and cheap immigrant labor to run ethnic food restaurants, low-end groceries and retail shops, liquor stores, and sweatshops (Loewen, 1971; Kim, 1981; Light, 1972; Min, 1996; Waldinger, 1986; Zhou, 1992).

In recent decades, however, drastic changes that occurred in the late 1990s and have become increasingly visible since millennium’s turn have shifted immigrant entrepreneurship into a more multifaceted, complex, diverse, and global phenomenon. Several trends are remarkable. First, the historically less entrepreneurial ethnonational groups have become more entrepreneurial. Past studies showed ethnonational groups that were well known for their entrepreneurial endeavors included Jewish, Cubans, Chinese, Japanese, Koreans and Middle Easterners (Bozorgmehr, 1997; Light, 1972, 1979; Light and Gold, 2000; Loewen, 1971; Min, 1990; Portes and Bach, 1985; Waldinger, 1986; Zhou, 1992). Few considered Mexicans and Filipinos to be so. But now those groups that were less known for entrepreneurship have followed suit. For example, Hernan and Hondagneu-Sotelo (2009) examined the Mexican American-controlled gardening industry. Nazareno (2018)
showed how Filipinos developed businesses along the lines of their professional employment in the healthcare sector.

Second, retail and service industries, which were characteristic of immigrant or ethnic businesses, have now become more diversified in type and size. Take the ethnic restaurant business as an example. Ethnic restaurants, used to be small and serve quick and inexpensive meals, have now grown to include a wider array of choices from inexpensive take-outs and buffet-style restaurants, exotic eating places, to extravagant fine-dining restaurants (Hsu, 2008; Liu and Lin, 2009). Other personal or professional services also tend to be diversified, ranging from basic to comprehensive with different price ranges.

Third, immigrant or ethnic businesses have now become incorporated into the local economy. Many manage to “break out” of the ethnic boundaries and spread out to middle-class urban and suburban communities beyond ethnic enclaves (Engelen, 2001). For example, Xi’an Famous Foods, a popular New York City-based Chinese fast food restaurant, began from a small fast food takeout in Flushing, New York’s second Chinatown, and was later expanded into other Chinese enclaves, including Manhattan’s old Chinatown, and then into ten other poor and affluent communities across the city (Shao, 2013). Panda Express, started as a Los Angeles-based family business, has now grown into a $2 billion restaurant chain with more than 250,000 employees working in over 2,000 restaurants across the USA and in Canada, Mexico, South Korea, and the United Arab Emirates. Some ethnic restaurants joined the mainstream economy from the very beginning: Café China, the only Michelin-starred Chinese-owned restaurant in New York City, served an exclusive clientele in one of the more expensive neighborhoods in the city (Wells, 2012).

Fourth, new immigrant or ethnic businesses, which were historically beyond the imagination and reach of immigrant entrepreneurs, have sprung up in primary market sectors of the mainstream economy, which is rapidly globalized. The capital- and knowledge-intensive industries are prime examples. The Silicon Valley in California, Route 128 technological corridor in Boston, and the Triangle – R&D in technology, telecommunications and pharmaceuticals – in North Carolina are all well known (Saxenian, 1994; Porter, 2001). Another example is the healthcare industry. The US healthcare has arguably become the largest employer, surpassing manufacturing and retail, in recent years due to the combination of increased medical spending, the recent passage of the federal Affordable Care Act, and demographic changes related to the aging of the US population (Thompson, 2018; Morrissey, 2011; US Bureau of Labor Statistics, 2017). Also, because individuals predominantly continue to receive services provided locally by humans, healthcare jobs remain somewhat resistant to automation and offshoring, which creates tremendous demand for individualized healthcare services and opportunities for new entrepreneurial endeavors. Nazareno (2018) found that immigrant Filipino women nurses and allied health professionals in California have emerged as owners and operators of home health agencies, residential care/assisted living facilities, adult day care centers and home care agencies, catering primarily to the underserved, vulnerable populations.

Fifth, businesses owned by immigrant or ethnic group members today are more transnational than ever before. The phenomenon of the “argonauts” or “transmigrants” is a case in point. Saxenian and Sabel (2008) show that, in the knowledge-intensive industries, highly skilled immigrants are proactively engaged with their counterparts in their home counties to pursue entrepreneurial opportunities. These argonauts build transnational networks not for direct transfer of technology or knowledge to their home countries, but to participate in entrepreneurial development. Zhou and Hsu (2011) point out that the entrepreneurial transmigrants – those who develop and maintain multiple relations across national borders – become agents of globalization. For example, after the dot.com boom in the USA in the 1990s, a few Chinese entrepreneurs returned home to capitalize on China’s rapid economic growth and subsequently became highly successful. Since then, a growing
number of American-trained, immigrant Chinese professionals and entrepreneurs have engaged in transnational entrepreneurship, contributing to China’s development of the information and communication technology industries while carving out new and better mobility opportunities for themselves (Zhou and Hsu, 2011). The returnee entrepreneurs have become key players in bridging their homeland’s domestic capital with technological expertise gained from abroad and establishing linkages with the global market (Saxenian and Sabel, 2008). Since the year 2000, there has been a steady increase of approximately 500 returnee-founded enterprises each year in China (Zhou, 2008). High tech industries aside, the literature has also observed that even locally rooted service-oriented immigrant enterprises are transnational. For example, You and Zhou (forthcoming) found, from a case study of Chinese-owned nail salons in New York City, that both labor and product supplies of the industry were sourced from China. Nazareno (2018) showed that Filipino women enterprises in the localized healthcare sector emerged in part by the transnational process that intersects global economic development, previous colonial relations and the public-private framework of the US welfare state.

Variations on new entrepreneurial endeavors
The changing trends described above suggest that the line between ethnic economics and the mainstream economy and the distinction between middleman-minority entrepreneurship and ethnic-enclave entrepreneurship are blurred. These trends are further complicated by ethnonational variations.

Different ethnonational groups tend to concentrate and specialize in different industrial sectors in their entrepreneurial pursuit. Ethnic niching – a concept initially developed by Waldinger (1996) to refer to occupations populated by co-ethnic workers regardless of the ethnicity of owners – seems to be just as noticeable among immigrant entrepreneurs as immigrant workers. Existing research shows that the overrepresentation of immigrant entrepreneurs in particular industries has been more visible than in the past because of the wider geographic span of the ethnic enterprises, such as Vietnamese and nails salons, Indians and motels or gas stations, Mexicans and gardening businesses, Filipinos and healthcare services, Indians and Chinese and high tech firms (Dhingra, 2012; Eckstein and Nguyen, 2011; Hernan and Hondagneu-Sotelo, 2009; Kerr and Mandorf, 2015; Nazareno, 2018; You and Zhou, forthcoming).

Ethnonational variations go beyond niching. Ethnic niching varies by location and clientele. Take the nail salon business as an example, nearly 50 percent of licensed nail salon workers were Vietnamese across the country, and more than 80 percent nail salons were operated by Korean or Chinese immigrants. The nail salons serve not only low-income racial minority customers but also middle and upper-middle classes customers of diverse racial backgrounds (Eckstein and Nguyen, 2011; Kang, 2003; You and Zhou, forthcoming). In the US motel industry, Indians owned nearly 60 percent of the motel properties nationwide as of the first decade of the millennium, and some of these motels are franchised from American hotel chains, such as Best Western, Holiday Inn, Ramada Inn and Comfort Inn (Dhingra, 2012).

But similar lines of businesses owned by other ethnonational groups seem to be affected by the intersectionality of class, race/ethnicity, and place in different ways. Instead of an additive model or a one-dimensional portrayal of financial success through enterprise, Romero and Valdez show that an intersectionality framework can provide a more complete understanding of ethnic entrepreneurship within highly stratified economies. In other words, the examination of multiple dimensions of identity and collectivity (e.g. race, gender, class, legal status, religion and the like) intersect to emphasize the structural conditions, barriers, and experiences in running a business. Case in point, African American women in the beauty industry do business primarily in African American neighborhoods. Hair salon owners capitalize on the demand for hair stylists who knew how to style and treat textured hair and specialize in providing services
for other black women (Harvey, 2005). But Chinese, Korean and Vietnamese run their nail salons in both ethnic enclaves and non-coethnic neighborhoods in low-income and middle-class areas. Valdez (2011) looked into the restaurant industry in Houston and uses her mixed market theory to compare entrepreneurial performance of restaurants of Mexican Americans, African Americans and whites at different social locations. Munoz (2016) explored the agentic constraints of Latino/a street vendor in Los Angeles who are constantly navigating uneven code regulations and negotiating with street gang members in order to claim public spaces of their own. Another study found significant between-group differences existed in the financial performance of businesses (Shinnar et al., 2011). Through the utilization of 2003 and 2005 National Minority Business Owners Surveys and conducting telephone interviews, Shinnar et al. (2011) found that those businesses that catered to co-ethnic clientele drew the least annual income. They also found that Korean American owned firms had the lowest proportion of co-ethnic clientele and African American owned firms had the highest. Through a study of post-war and contemporary Polish entrepreneurs in Leicester, UK, Barrett and Vershinina (2016) found that ethnic identity does not necessarily define the narratives of entrepreneurship. They showed that time and space constrained the habitus of the ethnic entrepreneurs, leading to a difference in understanding their forms of capital, their entrepreneurial journey, and the role of ethnicity in their entrepreneurial activity. These results imply that intersectionality is at work to produce unequal outcomes of ethnic entrepreneurship.

Recent literature on immigrant or ethnic entrepreneurship has extended to include understudied ethnic minority groups or emerging entrepreneurial groups in the USA and other Western societies. More recent civil wars in other countries led to displaced peoples to seek refuge in the USA. Some of the latest studies showed that entrepreneurial endeavors are remarkable among these new refugee groups, but their businesses are clustering in low-income immigrant neighborhoods rather than spreading across class in the urban or suburban terrains (Verdaguer, 2009; Mussa, 2015; Price, 2012). For example, the Salvadoran Civil War pushed a large number of Salvadorian refugees out of the country by the 1980s, who then arrived in the Washington DC area in search of asylum. As they became resettled, the Salvadorans established small businesses along the Washington metropolitan areas as a response to the market needs of large concentration of co-ethnics and offered a variety of services and products including apparel, retail, international couriers and notaries (Verdaguer, 2009).

Also starting in the 1980s, the Horn of Africa, which consisted of multiple countries including Ethiopia and Eritrea, became the largest refugee-producing area in the world (Barriagaber, 1995). Mussa (2015) found that Ethiopian and Eritrean entrepreneurs began to establish food and culture-centered businesses including flatbread (Injera) and the coffee ceremony (Bun/a). Despite inadequate business training, limited financial capital, and backgrounds in agricultural economic systems; these new entrepreneurs developed an ethnic niche economy comprised of restaurants, cafes and grocery stores in a specific geographic area in Washington, DC as a way of recreating their ethnic identities as well as creating a transnational space for their migrant community and host society. Some of these Ethiopian restaurants are beginning to attract a white middle-class clientele.

Bolivians also began to settle in large numbers in metropolitan Washington, DC between the 1980s and 1990s. Migration was partly driven by Bolivian's dismal economy faced with hyperinflation that led many professionals to find economic opportunities elsewhere (Price, 2012). Unlike Ethiopian and Eritrean entrepreneurs, however, Bolivian businesses revolved around child care, construction and cleaning services for patrons outside of their ethnic community. Bolivians have distinguished themselves among other Hispanics due to their higher levels of education, income and self-employment. Moreover, Bolivians have developed linkages with their home country by starting transnational business ventures (Price, 2012). For example, Data Ventures is a US-based company owned by a Bolivian immigrant that develops software for financing and telecommunications. Data Ventures has
formed transnational relations with Bolivia and other South American countries including Argentina and Chile. Another immigrant Bolivian entrepreneur owns Condor Tech, a US-based electronic security and technology firm. This entrepreneur has utilized his resources and networks for philanthropic ventures back in Bolivia.

Overall, we show that growth patterns vary by ethnicity or national origin. However, inter-group variations in business type ownership is not only caused by unequal access to human capital, social capital, financial capital, and cross-border venture capital on the part of individual entrepreneurs, but also by differences in broader structural circumstances in the home country and/or host country and transnational forces.

Causes of change and variations

Previously, scholars have argued that resource constraints including labor market exclusion, language barriers, inability to transfer educational and occupational credentials, and employer discriminatory practices prompted marginalized immigrant groups toward self-employed (Aldrich and Waldinger, 1990; Light, 1972, 1979; Min, 1990; Morawska, 2005). Also, differential access and accumulation of various resources account for why certain ethnic groups may be more likely to engage in entrepreneurial activities in the USA (Light and Gold, 2000). Portes and Rumbaut (1996) pointed out that enterprise success is contingent upon a combination of contextual factors including the host government’s current policy toward the immigrant group, public opinion and attitudes toward the immigrant group, and a sizable professionalized ethnic community already in place in the host country to provide strong community support. Much of this literature has traditionally focused on the resources and capital of ethnic enclaves, ethnic niches and ethnic enterprises comprised mostly of familial and co-ethnic labor forces and earned meager profit margins (Aldrich and Waldinger, 1990; Bonacich, 1973; Dhingra, 2012; Kang, 2003; Kim, 1981; Light, 1972; Loewen, 1971; Min, 1996; Portes and Zhou, 1992). Overall, researchers have heavily weighed the national context when examining the socioeconomic mobility and structural opportunities and constraints for self-employment.

Scholars have increasingly pointed out that a broader transnational context, regardless if these businesses are lodged in the host country’s local economy or back in one’s home country, provide us with the granularity to better understand the causality of immigrant entrepreneurship (Zhou, 2004; Portes et al., 2002). From a micro-level perspective, Hunt (2011) asserts that immigrant self-selection and the discernment of US-based agents in selecting immigrants applying for particular visas play a fundamental role in the success of immigrants. Immigrants who first entered the USA on a student/trainee visa or a temporary work visa have a greater advantage over natives in patenting, commercializing or licensing patents and earning larger wages. Whereas, immigrants who arrived as legal permanent residents via family unification schemes tend to perform similarly to natives, while those who arrived as dependents of temporary visa holders or on other temporary visas perform worse than natives (Hunt, 2011). Another prime example is the role of immigrant educational selectivity (Lee and Zhou, 2015). Lee and Zhou discovered that most of first-generation Chinese Americans have much higher educational attainment than their non-immigrant peers in China and outperform people of all races in the USA. Also, first-generation Mexican Americans are at the opposite end of educational attainment spectrum with a much lower percentage attaining bachelor degrees compared to both USA and Mexico populations (2015). The huge gap in educational attainment between these two ethnic groups intersected with the discretionary screening of the US immigration system, may also explain the historical self-employment rate differentials between these two ethnicities. Yet, it is important to note that more recent scholarship has emerged around Mexican and Latino entrepreneurship. For instance, Vallejo and Canizales (2015) place Latino/a entrepreneurs within the broad social context shaped by race, class and gender and discuss how their entrepreneurial incorporation
is intersectionally affected by those social forces. Other researchers have also cast their eyes on the US–Mexico border and conducted a comparative analysis on the earnings effect of working in the US vs Mexico (Mora and Davila, 2006).

In terms of education, Indian and Chinese immigrants with STEM degrees, as opposed to their co-ethnics with humanities, social science or business backgrounds, are much more likely to find jobs and secure temporary employment visas in order to stay in the USA (Weiner, 2014). Thus, the increase in Indian and Chinese STEM migrants eventually leads to the rise of high tech startups, a particular economic sector “hyper-selected” by the existing immigration regulatory regime (Lee and Zhou, 2015). Nazareno (2018) found that Filipino women nurse entrepreneurs who migrated back in the 1960s and 1970s as foreign-educated nurses were more easily able to attain student/trainee or temporary work visas. They were petitioned by US urban and rural hospitals and nursing homes to fill the nursing shortages occurring at the time.

In addition to having desirable educational backgrounds that meet the labor shortages of various US markets, these individuals often already possessed transnational class-based resources (e.g. intergenerational transmittance of skills, bourgeois attitudes private property and wealth) that serve as important elements for the survival and success of immigrant enterprises (Light and Gold, 2000). Bourgeoning research has focused on immigrants in the high tech economy and the different forms of capital and resources they possess in becoming entrepreneurial (Barakat and Parhizgar, 2013; Zhou, 2004; Zhou and Hsu, 2011; Varma, 2011; Fairlie et al., 2013; Saxenian, 2006). As opposed to disadvantage theory that highlights the resource constraints of initial forms of entrepreneurship, Barakat and Parhizgar (2013) argue that some of the newer immigrant entrepreneurs have a unique advantage in relation to their advanced degrees in the STEM fields of science, technology, mathematics and engineering. While not immune from discrimination, their narrative is one more so of autonomy and opportunity as opposed to exclusion and necessity. However, other scholars contend that despite having more forms of capital, advanced degrees and harnessing their professional careers in the USA; immigrants still encountered racial discrimination and cultural barriers and a disproportionate few have transitioned into high-profile executive positions with executive decision-making power in some leading high tech companies (Zhou and Hsu, 2011; Varma, 2011). The overall situation has somewhat improved as many immigrants are now CEOs of leading high tech firms such as Microsoft and Google, but the “silicon ceiling,” though weakened, remains above many Chinese and Indian immigrants (Singh, 2015). These constraints have led some mid-career professionals to strategically utilize their transnational social networks strengthened by working in places like Silicon Valley to become entrepreneurs and venture capitalists in their home countries (Zhou and Hsu, 2011; Singh, 2015; Varma, 2011; Iwata, 2006). For example, Sabeer Bhatia, co-founder of the e-mail service Hotmail, has been funding the development of a “Nano City,” (also known as India’s Silicon Valley), which plans to serve as a central hub for technology, bioscience, and other knowledge industries (Varma, 2011; Iwata, 2006).

Examining changes in ethnic entrepreneurship from a meso-level perspective, transnational social fields broaden our perspective on ethnic entrepreneurship (Zhou and Liu, 2015). Researchers found that immigrant entrepreneurs in the tech industry have become valuable conduits of information and skills in order to play key roles in the technological “catch-up” of their home countries (Zhou and Hsu, 2011; Varma, 2011; Iwata, 2006). Seen as a special kind of middleman minorities, transnationals play the role of connecting center-host and peripheral-home countries by taking advantage of their international social capital unavailable to native-born competitors (Sequeira et al., 2009; Light, 2010; Jones et al., 2010; Patel and Terjesen, 2011). Some researchers claim that “glocalized networks – with both intensive local embeddedness and far-flung global connections” make the effect of distance “dead” (Chen and Wellman, 2009, p. 528;
Ong and Nonini, 1997). However, Chen and Wellman find that glocalized networks cannot be maintained with online communication alone and frequent business travels abroad and in-person meetings remain very important, especially for high-value connections (Chen and Wellman, 2009). Case studies on first-generation Taiwanese and Indian immigrant professionals from US technology industries demonstrate how they have particularly become instrumental in connecting and developing their home country’s infrastructure for entrepreneurial technology development and venture capital institutions (Varma, 2011; Saxenian and Sabel, 2008). Described as the new “Argonauts,” these technically skilled immigrant entrepreneurs are navigating two countries simultaneously, while launching their own enterprises, and have become a strong economic force for development (Saxenian, 2006). These returnees have also broadened their social networks to include their home country’s public officials. For example, through these social relations, researchers found that immigrant Taiwanese returnees were able to influence and redirect investment from certain outdated industries toward technology startups in order to strengthen their tech economy (Saxenian and Sabel, 2008).

Micro-level and meso-level analyses discussed above must be considered in relation to the macro-level sociopolitical and economic backdrop of both sending and receiving countries. For instance, the mass arrival of Chinese immigrants into the US labor market was only possible once the Chinese government lifted their immigration ban in the late 1970s and integrated itself into the world economy (Hatton and Williamson, 1998). Also, a country’s visa regulations and classifications are set by their respective governments and determine who can enter, under what conditions, for which jobs and for how long (Xiang, 2017). Numerous studies found that many structural factors, such as shifts of labor from rural to urban areas, increasing incomes, and loosened financial restrictions of sending countries, especially ones with medium levels of development, have stimulated migration (Faini and Venturini 1994; Hatton and Williamson, 1998; Massey and Zenteno, 2000; Vogler and Rotte, 2000; de Haas, 2010). India, China and South Korea all fit within this migration transition model which argues that mobility increases during the societal transition caused by population growth, rural employment decline, fast economic growth and technological breakthrough (Zelinsky, 1971; Skeldon, 1990, 1997).

Yet, these respective countries’ own economies are also growing, particularly in the high tech industries and have attracted many Chinese, Taiwanese and Indian immigrants to return home (Saxenian, 2006; Zhou, 2008; Zhou and Hsu, 2011; Saxenian and Sabel, 2008). Their return is stimulated by the implementation of a series of economic liberalization policies and lowering trade barriers in order to facilitate foreign investments as well as the vast technology advances in communication and transportation (Lever-Tracy et al., 1996; Saxenian, 2002; Varma and Kapur, 2010; Zhou and Hsu, 2011; Varma, 2011). Moreover, while European and North American countries were still recovering from a recent economic recession, Zhou and Hsu (2011) found that the amalgamation of a booming high tech industry, strong stock market, and a ready supply of skilled engineers has established an emerging entrepreneurial milieu further enticing growing numbers of overseas talent to migrate back. In 2004, the Indian government established the Ministry of Overseas Indian Affairs to promote, nurture and sustain an institutional framework to benefit from Indian diasporic and transnational networks (Varma and Kapur, 2010). The impact of the development of the sending country on the receiving country’s immigrant entrepreneurship is not limited to the high-end industries but also low-end ones, particularly in relation to labor supply (You and Zhou forthcoming; Nazareno, 2018).

Like other studies, ethnic entrepreneurship studies have their own temporal or historical dimension, which is usually invisible but cannot go ignored. When Light (1972) conducted the comparative research on entrepreneurs of various ethnic groups for his seminal work in 1970s, Chinese entrepreneurs very likely had no connection with their home country as it
shut the door to the outside world while Korean immigrants, many of whom were beneficiaries of the early economic booms of a relative poor country at the moment, flocked to the USA and downwardly assimilated to the mainstream society through entrepreneurship. These entrepreneurs would not have been able to predict the impending changes brought forth by worldwide economic restructuring and globalization policies. When the field of ethnic entrepreneurship thrived in 1980s and 1990s, we should also bear in mind that the politico-economic pendulum of the time was favorable to small businesses and the appealing rags-to-riches narrative celebrated by the Reagan-Thatcher neoliberalism, which saw entrepreneurship as the market-based alternative to the welfare state government programs. This perspective helped to shape the ideology behind many studies adopting sociocultural perspectives as a main theoretical framework (Ram et al., 2017). More specifically, guided by Reagan-Thatcher neoliberalism, local and state governments of the USA proactively promoted microenterprise development programs which offered training and loans to individuals to pursue their entrepreneurial ambitions (Jurik, 2005). In the wake of the Great Recession, following Canada and Australia, the US federal government also paid more attention to a particular permanent residency program, EB-5 visa, or investor visa, which attracts affluent foreigners to either open up their own businesses (Jahangiri, 2016). The most recent tax cut introduced by President Trump’s administration and passed by Congress also favors business owners over wage earners (Ohlemacher et al., 2017). Therefore, the causes of change and variation in ethnic entrepreneurship are also time-dependent upon larger dynamics that have occurred or currently occurring in the world over the last nearly half century.

**Discussion: reconceptualizing immigrant entrepreneurship**

The changing patterns and ethnonational variations in immigrant entrepreneurship suggest that some of the key concepts, models, and theories – e.g., middleman minority, ethnic enclave, ethnic economy, ethnic niching – in the existing literature have their limitations as they are constrained by boundaries of nation-states and ethnonational groups within the contexts of immigrant reception. Recent research has produced ample evidence to suggest that there are new structural forces shaping immigrant entrepreneurship, which calls for further empirical research and reconceptualizations. Recent research has made significant theoretical advances through the transnational lens and frameworks that transcend the ethnonational confines. Out of the many theoretical breakthroughs, we discuss four: transnationalism, mixed embeddedness, simultaneous embeddedness and welfare state replacements – models that take into account local and global forces shaping immigrant entrepreneurship.

**Transnationalism**

In her 2004 review essay, Zhou foresaw that the transformative impacts of transnationalism observed as a new trend in early 2000s, “are likely to give rise to new structure and forces that determine ethnic entrepreneurship” (p. 1054). In its earlier development, the transnational entrepreneurship literature disproportionately focused on transmigrants and their transnational ties. These ties are viewed as an enlarged range of social capital which enables transmigrants to leverage otherwise unavailable resources (Sequeira et al., 2009; Jones et al., 2010; Patel and Terjesen, 2011). Some scholars turn their attentions to home country conditions which may significantly affect the opportunity structures unique to national origin groups and determine who is engaged in what type of transnational activities. Zhou (2004, p. 1055) reiterates the view that “[an] understanding of levels of scale and formality of these various types of transnational economic activities requires a new perspective that goes beyond the one centering on the host country” (Levitt and Glick-Schiller, 2004).

Scholars agree that it is important to considering factors influencing transnationalism from the perspective of the sending country. Government policies and levels of economic
development often interact with immigrant entrepreneurs’ enduring moral ties to ethnicity and home countries. The specific socioeconomic politico-institutional contexts of sending countries should be analyzed precisely because networks are created, sustained, and used within these contexts (Waldinger and Fitzgerald, 2004; Brzozowski et al., 2014; Sequeira et al., 2009). Renewed efforts have been made to reposition the transnational entrepreneurship studies within the transnational social field. In their comparative analysis of Chinese immigrant entrepreneurship in the USA and Singapore, Zhou and Liu (2015) find that different migration histories, structural circumstances in both sending and receiving societies, and locations in the transnational social field give rise to divergent patterns of economic transnationalism, and that the rise of China has opened up new avenues for transnational entrepreneurship, which has not only benefited hometown development in China but also created economic opportunities for Chinese immigrants, leading to desirable mobility outcomes. Moreover, transnational entrepreneurship promotes deeper localization rather than deterritorialization and contributes to strengthening the economic base of the existing ethnic enclave, which in turn offers an effective alternative path for migrants’ integration in their host societies (Zhou and Liu, 2015).

Mixed embeddedness
Celebrated as “perhaps the greatest single theoretical leap forward in this field” (Ram et al., 2017), mixed embeddedness is a conceptual framework, originally formulated and subsequently refined by Kloosterman and his associates for examining immigrant entrepreneurship (Kloosterman et al., 1999; Kloosterman, 2010; Rath and Kloosterman, 2000). Kloosterman and his associates argue that ethnic social capital alone is insufficient to fully mitigate major deficiencies associated with immigrant businesses. These scholars zoom in on two central but inadequately appreciated factors—the intrinsically hostile market environment and state regulatory regime. These two structural factors are more influential than social capital to determine entrepreneurial outcomes of immigrant-owned small businesses (Kloosterman, 2010; Ram et al., 2017).

From the conception of mixed embeddedness, immigrant entrepreneurs are centrally placed within a three-rung sphere of influence, namely, the micro-level of individual human capital and ethnic social capital, the meso-level of opportunity structure offered by the local economy, and the macro-level of larger the politico-institutional environment (Kloosterman, 2010). At the micro-level, the individual entrepreneur faces a two-dimension opportunity structure consisted of the access to and growth potential of markets. At the meso-level, besides this opportunity structure, the business performance is further conditioned on his or her access to ethnic-based resources and available entrepreneurial strategies. At the macro-level, the size and shape of the meso-level opportunity structure is affected by broader politico-institutional framework in the host country (Kloosterman, 2010). Studies conducted in the UK suggest that linking this approach with an analysis of different forms capital (social, cultural, economic) and their mobilization provides a more comprehensive perspective on immigrant entrepreneurial communities (Vershinina et al., 2011; Ram et al., 2008). Nevertheless, the mixed embeddedness conceptual framework focuses on only multi-level factors of the host country and overlooks the structural conditions in the home country, which may also enable or constrain potential entrepreneurs’ business outcomes (You and Zhou forthcoming).

Simultaneous embeddedness
Many scholars suggest that ethnic entrepreneurship studies should go beyond the borders of host countries (Levitt and Glick-Schiller, 2004; Zhou, 2004). It is hence necessary to formulate a new perspective which takes into account a host of home country conditions, such as state policies, the levels of economic development, transnational economic activities, and direct
economic and noneconomic benefits derived from social networks in sending countries (Chin and Smith, 2015; Déleno, 2011; Portes and Fernandez-Kelly, 2015; Zhou, 2004). For example, scholars assert that eastern European immigrant entrepreneurs in the UK were able to cut across transnational spaces by leveraging various symbolic forms of capital (prestige, status, positive reputation) in order to facilitate the development of their businesses (Rodgers et al., 2018). Other scholars found that Polish immigrants in Germany utilized their cultural, social, and economic capital acquired in both their home and host countries to position themselves transnationally (Nowicka, 2013). Building on the ideas of transnationalism and mixed embeddedness, You and Zhou (forthcoming) propose a new analytic framework, which they term “simultaneous embeddedness.” This framework extends the three-rung sphere of influence from the host country to the sending country and emphasizes the linkage between home and host countries. From this perspective, the transnational entrepreneur is constantly interacting with his or her networks and the state in the transnational social field while being centrally located within the socioeconomic and politico-institutional contexts of both home and host countries. Structurally, this analytic framework is consisted of two sets of three-layer factors, one in the home country and the other in the host country, connected by transnational linkages (You and Zhou forthcoming). Using the same logic of mixed embeddedness, You and Zhou pay special attention how the three-layer factors in the home country interact with those in the host country. At the micro-level, transnational entrepreneurs’ premigration statuses may affect their business performance in the host country and the effectiveness of exploiting transnational interpersonal networks. At the meso-level, socioeconomic conditions in the home country, such as the elevation of educational level, the expansion of middle-class families, the labor shortage and skilled mismatch, and the favorable government policies, may affect the local labor market in the host country. At the macro-level, politico-institutional factors in the home country may enable or constrain transnationals entrepreneurial ambition in the host country.

You and Zhou (forthcoming) applied this analytic framework in their case study of New York City’s Chinese-owned nail salons. They found that Chinese nail salon owners’ interpersonal networks were built in the home country and strengthened through the process of adaptation to the host country; the labor supply for the nail salon business was influenced by the elevation of educational attainment in the younger generation, the job mismatch in the local labor market, and rising economic opportunities in China; and the Chinese Government’s entrepreneurship promoting policy and relaxed control over studying abroad and tourism overseas, intertwined with changes in US immigration policy, exacerbated the problem of labor shortage for Chinese-owned nail salons in New York City. The study suggests that global forces profoundly influence immigrant enterprises, even those that are largely low-end and highly localized in the informal economy.

The analytic framework of simultaneous embeddedness links the local with the global to foreground the significance of multi-layer factors interacting within socioeconomic and politico-institutional environments of both host and home countries. This framework broadens the lens through which scholars perceive individuals, networks, and institutions as actors interacting in the transnational social field. The framework is beneficial for policy-makers in that it enables them to build capacity for identifying transnational factors in the legislative process and tailor policy responses to balance local concerns and global impacts.

Welfare state replacements

While the study of immigrant entrepreneurship benefits from the development of a transnational perspective, highlighted in the theoretical breakthroughs above, we have also observed the intersectionality between global forces and institutional forces within the boundaries of the nation state in affecting ethnic entrepreneurship. The institutionalized welfare state framework is noteworthy.
Existing literature has studied immigrant entrepreneurship in the contexts of different types of welfare regimes (Van Jevsnik and Luksic Hacin, 2011; Kloosterman et al., 1999; Razin, 2007). The term “welfare state” refers to a “collection of programs designed to assure economic security to all citizens by guaranteeing the fundamental necessities of life: food, shelter, medical care, protection in childhood, and support in old age” (Katz, 2002, p. 9). The US regime differs significantly from Scandinavian countries and central European countries in that the USA has lean welfare provisions and social welfare policies mainly target only aging and disabled populations and those at the lowest income strata. Van Jevsnik and Luksic Hacin (2011) assert that the combination of market forces, fewer regulations imposed by the welfare state in the form of less taxation and social benefits for employees, and less constraints on immigration policies have attracted more immigrants to develop small businesses within various US industries as opposed to parts of Europe. Even during the 2004 expansion of the European Union (EU) where over a million central Eastern Europeans moved to Britain for employment, scholars found very disparate spatial and labor market mobilities among these immigrants (Ciupijus, 2011). Moreover, the US welfare state is regulated more by the free market and less by the state (Katz, 2002; Klein, 2003). Case in point, the 1960s and 1970s passage of social policies allowed Medicare, Medicaid and Social Security Disability Insurance federal dollars to fund the private health and long-term care industries. Nazareno (2018) argues that the public-private framework of the US welfare state and its austere policies have led to the emergence of immigrant care enterprise. Nazareno (2018) produced the first study to examine how immigrant Filipino women became welfare state replacements by owning health and long-term care businesses that catered to the displaced, impoverished, chronically ill and aging populations in the USA. These immigrant entrepreneurs, mostly women, have capitalized the skill and experience that they have built up through work in the healthcare industry and started their own private enterprises to provide crucial care to those in need by providing housing, custodial care, and medical services after massive closures and/or federal underfunding of public state hospitals, community mental health centers and public housing settings.

Nazareno (2018) defines welfare state replacements as government-subsidized, small- and medium-sized enterprises that have stepped in to meet the needs of some of the nation's most underserved populations that have resulted from austere welfare state policies. The phenomenon of ethnic enterprises playing a role as welfare state replacements in the long-term care industry is rooted in and characterized by the lack of a universal provision of long-term care, the outsourcing of direct care services and privatization of formal long-term care services in the USA that signified the advancement of a neoliberal social order and a scaled-down welfare state and the increased bifurcation within the privatized long-term care industry. Even though private enterprises were government subsidized to provide long-term care services, many of the corporate-owned businesses prefer to cater to the wealthier sectors of society and accepted more profitable private-pay individuals. Immigrant entrepreneurs, particularly immigrant Filipino women have stepped in to meet the health and long-term care needs of the less profitable, government-subsidized individuals that not only resulted from a retracted, austere welfare state, but also from corporations preferring to provide long-term care services to a higher payer mix that optimized their reimbursements.

This distinct kind of immigrant entrepreneurship is related to the transnational process characterized by the intersection of early nineteenth century historical colonial ties between the USA and the Philippines, the subsequent massive migration of nurses as a “cheaper” gendered labor force to the USA after Second World War and the passage of the Immigration and Nationality Act 1965, coupled with the enactment and shift of US federal dollars into the private sector of health and long-term care. Since at least 1974, Filipino women nurses have been strategically using their technical skills, years of working in the US healthcare system, and proficiency in English to start up their care businesses. This new
form of immigrant entrepreneurship also underscores the formations of state-market partnerships and the global restructuring of market-based models to social and public policy. The US Government has a long tradition of providing direct care services to many of its most vulnerable citizens through market-based solutions and subsidized private entities. This phenomenon has led to the stratification of US health and long-term care sectors, whereby the globalized assemblage of immigrant enterprises makes up the peripheral, second-tiered part of the industry. The conception of the welfare state regime stems from the assurance to provide economic security and social welfare to its citizens and Nazareno suggests that the US Government has shifted and displaced some of this responsibility onto immigrant enterprise.

Conclusion
This review essay aims to identify changing trends, variations, and theoretical advances shaping immigrant entrepreneurship in today’s rapidly globalized world. Our analysis of the recently published works, with a focus on Western societies as contexts of reception, over the past decade suggests that the conditions and structural opportunities and/or constraints on immigrant entrepreneurship have changed and that the ways in which these broader factors intersect have also changed. We find that new trends and ethnonational variations are not only created by uneven access to different forms of capital and cross-border venture capital, but also by differences in broader circumstances in the home country and/or host country and the transnational social fields. Some new forms of immigrant enterprises have also changed from local, labor-intensive, and service-oriented enterprises to global, knowledge-intensive, and diverse professional services. Immigrant entrepreneurs can now be found in more mainstream economies and in different industries, including the health and long-term care sector. Moreover, the global forces that have shaped contemporary immigrant entrepreneurship are increasingly intertwined with institutional forces within nation-state boundaries.

Throughout the review, we call special attention to the global and transnational processes in order to both provide a more thorough understanding of immigrant entrepreneurship, highlighting new theoretical advances, which expand the established concepts and models in the sociology of ethnic entrepreneurship. Yet, we also note the significant development of an intersectionality perspective (Romero and Valdez, 2016; Neville et al., 2018; Edwards et al., 2016; Barrett and Vershinina, 2016). The recent literature clearly points to need to explore further not only how race intersects with class and immigrant status but also how global dynamics intersects with national policies and institutional forces. In particular, given the recent policy changes related to the current White House administration’s tax plan and potential changes to immigration policies in the USA, future research is needed to understand how the nation-state factors impact current immigrant enterprises and the prospects or deterrence of new ones.

Our review is limited to the recent literature on immigrant entrepreneurship, in which the less entrepreneurial groups, such as Mexicans in the USA, and refugee groups are often overlooked. Moreover, our review is limited to changing trends and transnational relations occurring mostly in the Global North. Immigration and immigrant entrepreneurship in the Global South (e.g. African merchants in Guangzhou, China) as well as different migrant entrepreneurial flows beyond the USA (e.g. Chinese merchants in certain parts of Africa, Latin America and Italy; South Korean merchants in New Zealand), have become more visible than ever before, knowledge about these emergent phenomena remain understudied. Thus, research on the Global South and the understudied groups should raise new questions and provide new insight about the intersectionality between varied contexts of reception and transnational flows of capital and peoples, social networks and structural forces.
References


Further reading


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Understanding the emergence of a social enterprise by highly skilled migrants

The case of Honduras Global Europa

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Abstract
Purpose – The purpose of this paper is to examine the emergence of a social enterprise by highly skilled members of a diaspora. While most literature has focused on government intervention for diaspora engagement and monetary remittance flows from migrants, less attention has been paid to the transfer of social remittances and social enterprises created by diasporas. Based on the concept of social remittances, social network theory and motivation perspectives, this study unpacks the emergence of a social enterprise by highly skilled migrants of a developing country.

Design/methodology/approach – This study examines social enterprise emergence through an autoethnographic approach to describe and systematically analyze personal experience. This approach allows to understand cultural experience around the emergence of a social enterprise created by diverse members of a diaspora.

Findings – Findings reveal that diaspora knowledge networks (DKNs) can emerge through the activation of a highly skilled diaspora network structure. Core diaspora members can activate a latent network of highly skilled migrants that wish to fulfill intrinsic motivations. Findings support the extend current understandings of social remittances by highly skilled migrants, who emerge as a transnational community that desires to stay connected to their country-of-origin and can support the emergence of a transnational network structure for development. The findings reveal that place attachment, sense of duty and well-being are key factors for highly skilled migrants to engage in DKNs.

Originality/value – The paper contributes to literature on networks and migrant-based organizational emergence by examining how and why highly skilled migrants from a developing country engage in the emergence of a DKN. Findings challenge previous views of government intervention and provides evidence on how the transmission of collective social remittances can flow trans-nationally, making highly skilled migrants effective agents of knowledge circulation and DKNs a vehicle for transmission. More specifically, the study provides evidence of the relevance of transnational features in the context of diaspora networks that lead to organizational emergence. It underscores the influence of interrelated motivations in diaspora engagement studies.

Keywords Immigrants, Developing countries, Networks, Social enterprise

Paper type Research paper

Introduction
There is a growing interest to understand how migrant experiences inform the emergence of new forms of social enterprises. In that regard, there is limited understanding of social enterprises created by highly skilled members of a diaspora from a developing country. While “Diasporas,” which refers broadly to disperse migrant networks connected through sentimental links with a homeland (Safran, 1991), are attracting attention in the entrepreneurship literature.
In this study, diaspora relates to individuals and members of networks, associations and communities, who have left their country of origin, but maintain links with their homelands (Kleist, 2008; Safran, 1991). Such conceptualization comprises settled expatriate communities, migrant workers based abroad temporarily, expatriates with the nationality of the host country, dual nationals and second-/third-generation migrants (OECD, 2012; Brubaker, 2005). Dispersion in space and orientation to a “homeland” characterize diasporas (Brubaker, 2005). Dispersion can be either forced or voluntary, crossing or within state borders. Orientation to a homeland relates to a source of motivation, identity and loyalty reflected by a collective memory about the homeland and a commitment to its development or restoration (Brubaker, 2005). This study focuses on “diaspora” to emphasize particular
activities carried out by a group of migrants in connection with their sentimental and social links with a country-of-origin (Siar, 2014).

The diaspora concept links to theoretical discussions around transnationalism and networks. Transnationalism refers broadly to the processes by which migrants create and preserve multiple economic, cultural and social relationships that link them to their origin and host societies (Vertovec, 2001). Accordingly, the diaspora discourse reflects "a sense of being part of an ongoing transnational network that includes dispersed people who retain a sense of their uniqueness and an interest in their homeland" (Shuval, 2000, p. 44). Thus, diasporans may feel they are "here" and "there" in multiple national spaces and networks (Waldinger, 2008). Such duality is characterized by a sense of living in one place while simultaneously remembering and/or desiring and yearning for another place (Shuval, 2000).

As a result, multiple relationships, connecting diasporans simultaneously to two or more transnational networks may develop (Schlenker et al., 2017). The multiplicity of such relations occurs not only between diaspora communities and their homeland but also among diaspora members dispersed across nation states (Shuval, 2000).

A diaspora is perceived as an entity with common aims, interests, solidarity and cohesion, yet, in reality it is composed of diverse networks that may appear fragmented and loosely connected (Kleist, 2008). Such fragmentation is noted around the diverse modes of engagement within host societies (Sheffer, 2003). Sheffer (2003) illustrates that core members of a diaspora are intensively active in transnational diasporic affairs and enjoy a position that can appeal or leverage for mobilization of the larger diaspora. Latent or passive members are likely to be available for mobilization when the core leadership calls upon them while silent or dormant members are generally uninvolved in diasporic affairs, but may mobilize or engage in times of crisis. Yet, an apparently fragmented network structure may allow diverse forms of engagement when relations within networks are properly leveraged (Jack, 2005). Within host societies, being a member of a diaspora does not necessarily interfere with integration yet members may create and maintain boundaries (Brubaker, 2005) which can be beneficial for migrants of a similar ethnic origin (Vershinina et al., 2011) seeking information and support in transnational networks (Rodgers et al., 2017).

Diaspora engagement can take several forms. Individually, diaspora members can contribute financially to a country-of-origin or to diaspora philanthropic societies without any form of direct involvement or may engage individually in knowledge transfer, either permanently or short-term, virtual or in situ (Brinkerhoff, 2012). Whilst diaspora organizations range from privately-run to government-led (Brinkerhoff, 2012), there is limited understanding about how they emerge. Moreover, until recently, diaspora engagement has mainly focused on monetary remittances, investment and philanthropy (Lindley, 2009) whereas other forms such as skill or knowledge transfer, termed social remittances, have remained understudied (Lacroix et al., 2016).

A collective social remittance perspective

Levitt (1998, 2001) proposes that in addition to money, migrants can provide social remittances, defined as: "the ideas, behaviors, identities, and social capital that flow from host to sending country communities" (Levitt, 2001, p. 54). Levitt (1998, 2001) argues that social remittances relate to normative structures (ideas, values and beliefs), systems of practice (actions shaped by normative structures), and social capital (values and norms on which social capital is based, and social capital itself). These remittances are distinct from economic ones because they are conveyed interpersonally between individuals who learn of, adapt, and diffuse ideas and practices from their environment through roles in families, communities and organizations (Levitt, 2001).

The theoretical roots of social remittances intersect with the transnational and relational nature of diasporas. Diasporans maintain strong transnational ties over sustained period.
often becoming transgenerational (Haas, 2010, p. 247). Such ties facilitate social remittance exchanges when migrants return to live in or visit their communities of origin; when non-migrants visit their migrant friends or family in a host country; or through interchanges of letters, videos, cassettes and telephone calls over time (Levitt, 1998, p. 936), as well as web technologies (Oiarzabal, 2012; Rodgers et al., 2017). Moreover, social remittance exchange is influenced by the level of engagement of diaspora members in societies (Sheffer, 2003; Levitt, 2001). Migrants who have constant and pro-active interactions on host societies may be in a privileged position to combine and expand cultural ideas, practices and relationships to later engage in social remittance exchange (Levitt, 1998).

Yet, while most studies of social remittances focus on the ideas and practices that individual migrants may transfer to a country-of-origin, Levitt and Lamba-Nieves (2011, p. 13) argue that socio-cultural exchanges may influence broader community development through “collective social remittances.” Collective social remittances are exchanged by individuals in their role as organizational members and can be used in organizational settings (e.g. educational organizations, business associations, church groups or political parties). Levitt and Lamba-Nieves (2011) suggest that this may occur by migrants gathering social and/or financial remittances around particular projects or through the organization of separate organizations. Diverse motivations may accompany social remittance exchange. For example, agreed tangible projects (e.g. building a sports complex) may arise due to the motivation of migrants to enjoy similar host country experiences in future visits as well as social pressures to maintain family social capital in the country-of-origin (Levitt, 2001).

The concept of social remittances represents a paradigmatic shift in migration scholarship as it calls to move away from theorizing about diaspora contributions based on financial remittances (Lindley, 2009) and rather to focus on intangible remittances (Lacroix et al., 2016). Whilst the importance of some of these exchanges promote migrant entrepreneurship (Rodgers et al., 2017) community development and political integration (Haas, 2007; Lacroix et al., 2016), most literature of social remittances has focused on exchanges between migrants in specific locations within a host country (Boston, USA) and a developing country-of-origin (Miraflores, Dominican Republic). What is less understood is how social remittances are transmitted by several highly skilled migrants from the same country dispersed around the world, and whether a collective social remittance approach influences the emergence of a novel social enterprise.

**Social enterprises and DKNs**

Social enterprises represent an interesting organizational context to examine the engagement of highly skilled members of a diaspora. Social enterprise is a concept framed along a continuum of options around organizations (e.g. from not-for-profits, charities, philanthropic societies to private associations, cooperatives and mutual societies) addressing societal issues such as poverty, inequality and education among others (Galera and Borzaga, 2009), aiming to deliver positive social outcomes for a particular community or group (Ridley-Duff and Bull, 2015). In this study, social enterprise emergence is engaged when a group, sharing a specific and well-defined social goal (e.g. providing food, education, and medical services to members of a society in need) succeeds in translating their collective effort into an institutional formal arrangement and manage it an entrepreneurial way (Galera and Borzaga, 2009). To achieve objectives some social enterprises may rely on a not-for-profit model through voluntary action and funding by grants, donations or contracts with public or private organizations (Ridley-Duff and Bull, 2015). This study focuses on the emergence of a social enterprise composed by highly skilled migrants called DKN.

A DKN is defined as an “association of highly skilled expatriates willing to contribute to the development of their origin countries” (Meyer, 2011, p. 159). DKNs act as mediators...
between a community of skilled migrants and institutions or groups in countries of origin (Leclerc and Meyer, 2007; Meyer and Wattiaux, 2006) and based on earlier conceptualizations it represents a basic form of a social enterprise (Ridley-Duff and Bull, 2015). To date, DKNs emergence is mostly associated to governmental initiatives and scientific human capital (Tigau et al., 2017). Governments in emerging economies are relying on migrants to shape financial remittance policies and fill voids in scientific knowledge (Gamlen, 2014). For the latter, deliberate action has stimulated the creation of scientific diaspora networks based on human capital (Meyer, 2001).

**Human capital**

Human capital, defined as “the knowledge, skills and competences and other attributes embodied in individuals that are relevant to economic activity” (OECD, 1998, p. 9), represents an endowment of individual migrants (Meyer, 2007). Sources of human capital come from family, education and experience (Anderson and Miller, 2003) and may include explicit knowledge, formally acquired in educational centers, and implicit (tacit) knowledge acquired through experience (Polanyi, 2013). Economic logic within human capital suggest that the inventory of skills and abilities gained by individual migrants lead to diverse professional or entrepreneurial career choices in host countries. For a scientific diaspora, specialized qualifications (e.g. doctoral degrees), enhanced through research and teaching, (Discua Cruz and Tejada Calvo, 2009) vouch for inclusion in a DKN (Meyer, 2001). Thus, it is not surprising that most DKN research has revolved around diaspora scientists and their contribution to countries-of-origin (Meyer and Wattiaux, 2006).

Yet, a focus on social remittances based on scientific human capital rationale alone may be insufficient to explain how (whether) diverse members of a diaspora engage in the creation of DKN. Scientific knowledge alone may undermine a wider base of social remittances, restrict membership and cultivate an aura of exclusivity. Siar (2014) underscores that it is important to recognize that migrants carry and transfer different types of social remittances as knowledge comes in different types – scientific, technological, business, economic, cultural and social, to name a few. Thus, a diversity in knowledge and skills may prove beneficial for the emergence of a DKN.

**Networks and social relationships**

This study acknowledges that a DKN is, at its core, a network. Social relationships are extensively regarded in the study of diasporas, transnationalism, ethnic communities and migration (Rodgers et al., 2017; Vershinina et al., 2011). The relevance of social relationships for highly skilled migrants can be appreciated through a strong and weak tie perspective (Granovetter, 1973). “Strong ties” are represented through strong relationships and closely-knit networks of family, friends, class and ethnicity circles. Intuitively, in diasporas, close friends and family both in the host and origin country are considered strong ties, which would help out most, and thus facilitate collaboration as migrants know them, trust them and interact frequently. “Weak ties” cut across diverse social network structures outside closely-knit circles and are represented through relationships in business, community and professional associations (e.g. chambers of commerce, Church, Rotary or Lions Club) (Davidsson and Honig, 2003). Weak ties are crucial because they represent bridges to access networks or groups of people (Soetanto, 2017). Yet, in comparison with strong ties the amount of information, support or empathy to be procured through weak ties is uncertain. Strong and weak ties are relevant for this study as the close social ties that migrants have in home countries bind them to these areas, even if they live in another country – which relates to the concept of “diaspora” and how people’s sentimental ties with their home country can be a strong motivation to engage in social remittance exchange (Siar, 2014).
Networks provide a basis for social cohesion because they enable people to cooperate with one another (Soetanto, 2017). Diaspora members may be naturally inclined to collaborate, discuss ideas and engage in projects within familiar or close circles, particularly in ethnic circles (Vershinina et al., 2011). Any enterprise form created by migrants may benefit from unique resources from intra-diasporic networks linking co-ethnic communities both internationally (across countries) and locally (within the host country) as well as an inclination, or motivation, to be closely involved in the development of their home countries (Brzozowski et al., 2017). Diverse members of a diaspora may also create and eventually leverage ties in diverse networks within host societies (Elo et al., 2018). Such bonds within transnational networks may be leveraged to identify and evaluate diverse opportunities in relation with countries-of-origin (Katila and Wahlbeck, 2012). Yet little is known about how (whether) and why diaspora members leverage ties to create a DKN and the motivations behind such engagement. Whilst strong and weak ties can be found in diverse transnational networks (Rodgers et al., 2017), further scrutiny of DKN emergence through the role and nature of ties is needed (Jack, 2005). To increase understanding, this study explores a deviant DKN, that is, one not formed by governmental initiatives, in a developing country.

**Methodology**

Addressing the “how and why” question in this study demanded understanding the world from the perspective of those studied (Pratt, 2009, p. 856), aiming to provide a more valid explanation of what is going on (Howorth et al., 2005). To do this, the authors engage in autoethnography to describe and systematically analyze (graphy) personal experience (auto) in order to understand cultural experience (ethno) (Ellis et al., 2011, p. 273). Autoethnography allows the generation of “theoretically relevant descriptions of a group to which one belongs based on a structured analysis of one’s experiences and the experiences of others from one’s group” (Karra and Phillips, 2008, p. 7). To generate rich data for analysis, a DKN that would be representative of the topic of study was deliberately chosen (Miles et al., 2013) where the authors can reflect on experiences as “insiders.” Insider research is a category of autoethnographic practice where practitioners are academic researchers who study a group they are part of, and use their insider position as a methodological and interpretive tool (Butz and Besio, 2009). By being “insiders” authors had access, knowledge, and freedom of movement which allows to develop particular insight not easily visible to “outsiders” conducting qualitative research in specific contexts (Karra and Phillips, 2008). Studying the emergence of a DKN through autoethnography provides a methodological frame for researchers, who are part of a diaspora, to manage research and theorize.

**Data gathering and analysis**

To address the difficulty to attain information, particularly in Latin America (Jones, 2004), data were gathered through informal conversations, interwoven with observation and diverse sources of data (Karra and Phillips, 2008). In analyzing and presenting findings, the authors followed the suggestions of Ellis et al. (2011). First, to retrospectively and selectively write about reflections made possible by being part of a group or culture as well as ways others may experience similar reflections. This approach was accomplished through comparing and contrasting personal experience against existing research and examining available material to discern patterns. Second, the authors sought to produce descriptions of personal, interpersonal experiences and patterns observed (Letch et al., 2010). Interpretive methods were used to analyze how and why a DKN emerged and operated. Analysis of the data was then reiterated in moving between data and emerging findings (Alvesson and Skoldberg, 2000). Analysis of the data focused on how and why a DKN emerged. This allowed the authors to follow up on emerging themes (Patton, 1990). The analysis was
informed by prior theoretical understanding but not constrained by it (Finch, 2002). This was accomplished by relying on field notes and available data materials (printed material, video). Figures and data in tables is used to support key themes emerging from the analysis (Pratt, 2009). In line with recent migrant related studies quotes are used to emphasize themes and patterns (Rodgers et al., 2017). Reliability referred to the author’s credibility as diaspora members engaging in the experiences described and presenting the experience described as believable and possible.

The authors do not advocate that autoethnography should be the preferred method for DKN emergence research. Instead, the authors argue that an increasing proportion of migrant research benefits from the features of autoethnography (Knijnik, 2015). Karra and Phillips (2008) highlight ease of access, reduced resource requirements, increased ability to establish trust and rapport and reduced problems with translation as strengths of the approach. Conversely, difficulty maintaining critical distance, ongoing role conflict and the limits of serendipity are acknowledged as difficulties of conducting autoethnographic research. The use of autoethnography is appropriate for this study as the authors were privileged to participate in the process leading to the foundation of a DKN in a developing country.

**Contextual setting: Honduras and Honduras global**

Honduras, a developing country in Central America with an estimated population of 8.7m inhabitants, has several qualities that make it interesting for a study of the impact of a diaspora. First, diaspora research in Central America is the least covered, with the bulk of DKN research mainly focused on larger Latin American countries, such as Colombia and Mexico (Meyer, 2007). Second, due to the lack of employment opportunities, increasing social unrest, natural disasters and high personal security risks faced by the population at large (McSweeney, 2005; Ruhl, 2010) many Honduran citizens have migrated to other countries to improve personal and family living conditions (OECD, 2012). Finally, the Honduran Central Bank’s balance of payments shows that while in the year 2000, financial remittances represented only 6 percent of GDP ($0.44bn), in 2015 they represented 16 percent of GDP ($3.65bn). Such contextual setting is important because recent studies highlight that while migration may reduce affective ties to the country-of-origin, migrants seek to regularly engage in social action across borders (Waldinger, 2008). This may occur as Honduras, as a place, may signify a spatial entity experienced and perceived as meaningful (Gustafson, 2001) based on symbolic long-term experiences (Hernández et al., 2007) which may shape motivations to engage in further support. Thus, whilst financial remittances are important, there is limited understanding on how and why migrants from the Honduran diaspora may engage in the creation of a formal social enterprise to support their country-of-origin.

**Honduras Global Europa**

Honduras Global, founded in 2010, is a DKN created by highly skilled members of the Honduran diaspora, international agencies and governmental agencies (see Seddig and Cerrato, 2014 for details). Its emergence is associated to Sir Salvador Moncada, the most cited British scientist and one of the most cited scientist in the world (The Royal Society, 2018). Nowadays, with more than 70 members, Honduras Global is perceived as a select group of highly skilled Hondurans. As members as dispersed around the world, both *in situ* meetings and web technologies (e.g. www.hondurasglobal.org) are used by members to meet, discuss and decide on new projects geared for knowledge transfer. In addition to thematic seminars, a flagship event, labeled “Academic Week,” started in 2011 as a yearly forum where members share their ideas, experiences and knowledge around selected topics to students from different universities and professionals from diverse sectors in Honduras.
These events represent key mechanisms to transmit collective social remittances to wider audiences in Honduras.

Due to the growing number of members residing in Europe, on June 2, 2013, Sir Salvador Moncada and nine highly skilled Hondurans (including the authors), working in different sectors (science, medicine, arts, law, business), created HGE in Brussels, Belgium (registration number BE 535.547.985, a not-for-profit organization). The mission of HGE was set to identify and connect highly skilled Hondurans in Europe and around the world to promote knowledge transfer and stimulate innovation, scientific, technological and entrepreneurial development in Honduras. The authors have participated on its board (secretary, membership committee) and participated in situ and online meetings since its foundation. The emergence of HGE coincided with increasing governmental interest to link successful Hondurans overseas with a national identity project called “Marca Pais” (El Heraldo, 2015), and was promoted as a novel DKN at the 2013 IOM conference by one of the authors (IOM, 2013). Table I shows a summary of data sources and Table II displays events and knowledge exchanges that HGE members have engaged into.

Findings
Reflections and data analysis brought to light that HGE members expressed a sense of consciously engaging in the emergence of a group that spanned several settings and that engaged in the transmission of social remittances motivated by shared feelings and unique reasons. Members engaged in the emergence of HGE attesting to this based on the strength of ties.

<table>
<thead>
<tr>
<th>Members of Honduras Global Europa</th>
<th>Code</th>
<th>Location</th>
<th>Sector</th>
<th>Role in HGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>HGE1</td>
<td>UK</td>
<td>Medicine</td>
<td></td>
<td>Founding member/Board</td>
</tr>
<tr>
<td>HGE2</td>
<td>Germany</td>
<td>Business</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE3</td>
<td>Luxemburg</td>
<td>Business/Legal</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE4</td>
<td>Switzerland</td>
<td>Science/Academia</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE5</td>
<td>Germany</td>
<td>Business</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE6</td>
<td>UK</td>
<td>Science/Academia</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE7</td>
<td>France</td>
<td>Business</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE8</td>
<td>Spain</td>
<td>Medicine</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE9</td>
<td>Germany</td>
<td>Medicine</td>
<td></td>
<td>Founding member</td>
</tr>
<tr>
<td>HGE10</td>
<td>The Netherlands</td>
<td>Arts/Culture</td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>HGE11</td>
<td>Belgium</td>
<td>Science/Academia</td>
<td>Founding member/Board</td>
<td></td>
</tr>
<tr>
<td>HGE12</td>
<td>Italy</td>
<td>Communication/Media</td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>HGE13</td>
<td>Spain</td>
<td>Communication/Media</td>
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<td></td>
</tr>
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<td>HGE14</td>
<td>Spain</td>
<td>Science/Academia</td>
<td>Member</td>
<td></td>
</tr>
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<td>Science/Academia</td>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>HGE16</td>
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<td>Science/Academia</td>
<td>Member</td>
<td></td>
</tr>
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<td>HGE17</td>
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<td>Science/Academia</td>
<td>Member</td>
<td></td>
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<td>HGE18</td>
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<td>Multinational organization</td>
<td>Founding member/Board</td>
<td></td>
</tr>
<tr>
<td>HGE19</td>
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<td>HGE21</td>
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<td>Science/Academia</td>
<td>Member</td>
<td></td>
</tr>
</tbody>
</table>

Table I. Data source/access information about HGE

Secondary data: National and international news about the organization and organizational members (e.g. La Prensa, El Heraldo, 2015); HGE meetings in Brussels and Paris, as well as online meetings (Skype). Printed reports: Seddig and Cerrato, 2014; Discua Cruz and Cerrato, 2019. Online sources: Honduras Global main website: www.hondurasglobal.org; Videos: Honduras Global (2011 a, b) and www.youtube.com/user/hondurasglobal/videos
How do highly skilled members of a diaspora engage in the emergence of a DKN?

Reflections and analysis of the evidence suggest that HGE emergence related to the activation of ties in transnational networks. The data analyzed (video, newspaper articles, reports, e.g., Honduras Global, 2011a, b) as well as experiences and observations by the authors underscore the relevance of a core diaspora member activating a network of transnational ties to forward collective social remittances. Tie activation comprised key actors within the country-of-origin and latent members of a high skilled Honduran diaspora network. In the case of HGE, Sir Salvador’s position, drive, renowned profile and worldwide reputation, provided weight to a call to Hondurans overseas in diverse sectors and encouraged both national and international institutional actors to support the formal establishment of the organization. Figure 1 provides a graphical illustration about the experience and pattern identified.

Figure 1 shows that a core member of a highly skilled diaspora (e.g. Sir Salvador) can leverage strong ties with others to reach latent members (e.g. Hondurans across European states) in transnational networks and at the same time procure resources from institutional actors (e.g. government, international cooperation agencies). Strong ties were leveraged to disseminate and procure information, resources and support for organizational emergence (Seddig and Cerrato, 2014). Strong ties, at origin and host countries, reacted either by becoming members or acted as replicators, providing information, and/or access to other highly skilled diaspora members (weak ties) across Europe. The transnational patterns activated experienced by the authors and the composition dynamics that unfolded (Figure 1) suggest that latent members in European countries were also searching to join an organization such as HGE through ties in diverse networks. As one member, a UN analyst in Switzerland expressed “my dream has always been to really contribute to the development of my country, for many years I have been overseas studying and working […] to become part of HG] was an answer to address that need.” The patterns observed by the authors suggest that both strong and weak ties in transnational networks facilitated reaching out and procuring support for the emergence of HGE.

One path of tie activation suggested in Figure 1 shows core members acting as attractors in transnational networks of highly skilled diasporans. Experience by the authors suggest that the emergence of HGE was best served by leveraging ties with individuals with whom members share strong bonds and knowledge of their motivations. This was experienced by

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<table>
<thead>
<tr>
<th>Activity</th>
<th>Theme</th>
<th>Number of participants</th>
<th>Country of residence of speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural management workshop</td>
<td>Arts/Culture</td>
<td>40</td>
<td>Spain</td>
</tr>
<tr>
<td>Scientific talk: small town urban development</td>
<td>Urban development</td>
<td>50</td>
<td>Spain</td>
</tr>
<tr>
<td>Panel discussion: new market opportunities</td>
<td>Business</td>
<td>40</td>
<td>France, USA</td>
</tr>
<tr>
<td>Forum: arts and culture for development</td>
<td>Arts/Culture</td>
<td>50</td>
<td>Spain, USA</td>
</tr>
<tr>
<td>Academic week</td>
<td>Science, Economy, Business, Development</td>
<td>70</td>
<td>UK, USA, Spain, Switzerland</td>
</tr>
<tr>
<td>Virtual motivational talks with high school students</td>
<td>Personal Development</td>
<td>240</td>
<td>Belgium, The Netherlands, Switzerland</td>
</tr>
<tr>
<td>Summer school</td>
<td>Leadership, Personal Development</td>
<td>25</td>
<td>France, USA</td>
</tr>
<tr>
<td>Start-up workshop</td>
<td>Business</td>
<td>35</td>
<td>Germany</td>
</tr>
<tr>
<td>Global week</td>
<td>Science, Economy, Business, Development</td>
<td>256</td>
<td>UK, USA</td>
</tr>
<tr>
<td>Motivational talk: expression through art</td>
<td>Arts/Culture</td>
<td>150</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Training: Microsoft Project</td>
<td>Informatics</td>
<td>80</td>
<td>USA</td>
</tr>
<tr>
<td>Motivational Speech: work opportunities for the urban marginalized sector</td>
<td>Development</td>
<td>600</td>
<td>USA</td>
</tr>
</tbody>
</table>

Source: Honduras Global

Table II. List of activities engaged by Honduras Global Europe members 2016–2017
members who share academic or professional credentials from the same country-of-origin institutions. One of the authors, secretary of HGE (2013-2017) activated an existing Honduran alumni network in Europe to promote the emergence of HGE and encouraged individuals who would become members in 2017. Another path shows that latent diasporans may be reached through weak ties or through strong ties with others in the country-of-origin. Informal conversations by the authors with HGE members suggest that strong ties in Honduras (e.g. family and friends) provided information and encouraged engagement based on TV, newspaper or Radio clips about the organization and Sir Salvador (e.g. La Prensa, 2015). Potential members contacted a HGE founding member they knew either directly (strong ties) or through others (weak ties) who had mentioned the emergence of the organization. Strong ties within transnational networks (e.g. friends, family) also provided contact information about other highly skilled members across Europe who could be interested to join.

Ultimately, the process leading to HGE emergence was sparked by a core diaspora member which activated a transnational network composed of Hondurans who have gained or are gradually gaining legitimacy, influential social positions, status and recognition in host and/or country-of-origin and who were motivated to engage in the emergence of a social enterprise. Sir Salvador was perceived as the central node of a network that served as an attractor for other highly skilled diaspora members. These members acted as replicators of the potential collective social remittances that HGE could deploy in Honduras (Honduras Global, 2011 a, b). As a result, a whole structure was activated through strong and weak ties in transnational networks. The result was the emergence of a DKN with broader based of migrants with unique skills and knowledge (e.g. Legal, cultural, business).

**Why do highly skilled members of a diaspora engage in the emergence of a DKN?**
Experiences of the authors and evidence examined suggests that place attachment, a sense of duty and well-being were important motivations for HGE emergence.
First, HGE Members expressed sentiment for their homeland as a key motivation for engagement (Table III). This was experienced and noted in aspects such as family links, memories, nostalgia and length of absence. Honduras, as a place, is perceived as meaningful, revolving around affective, but also cognitive and behavioral, bonds between members and Honduras as a place (Low and Altman, 1992). Most of HGE members have been, on average, more than 15 years working overseas, most have married host country citizens and have dual or more nationalities. Yet, long established dual or multiple identities have not weakened place attachment feelings nor undermine the desire to keep connected to the country-of-origin. As an executive of a multinational corporation expressed, the motivation to support “does not disappear regardless of how long you have been away or how far you are now from your homeland.” diaspora members were motivated to be engaged in HGE to address sentiments of

<table>
<thead>
<tr>
<th>Excerpt</th>
<th>Coding</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I was born in the northern area of Honduras; there has always been that attachment to the place I was born, because of my attachment of my grandmother […]” (HGE12)</td>
<td>Attachment to place and family links</td>
<td>Place attachment</td>
</tr>
<tr>
<td>“[…] that intention [to contribute to the benefit of Honduras] does not disappear regardless of how long you have been away or how far you are now from your homeland” (HGE19)</td>
<td>Length of absence</td>
<td></td>
</tr>
<tr>
<td>“You will always feel attached to the place where you grew up and where your memories were created” (HGE6)</td>
<td>Hometown memories</td>
<td>Nostalgia</td>
</tr>
<tr>
<td>“HG allows the Hondurans living abroad to give something back to Honduras, […] to the land they miss and waits for them” (GIZ representative)</td>
<td>Privileged migrant</td>
<td>Sense of duty</td>
</tr>
<tr>
<td>“[Honduras Global] is for the Honduran that has been privileged, that has a know-how which Honduras can benefit from […]” (HGE7)</td>
<td>Desire to contribute from host country</td>
<td></td>
</tr>
<tr>
<td>“Every [Honduran] citizen [abroad] needs to be a volunteer to advance the society of their country. It can be socially, environmentally, education or in different areas” (HGE15)</td>
<td>Opportunity to share knowledge</td>
<td></td>
</tr>
<tr>
<td>“I travel a lot with development projects to improve the standards of living, through education, sustainable agriculture which have a direct impact, I have used this approach in Latin America, India, Africa, but never had the chance to do it in Honduras until I got involved in Honduras Global” (HGE4)</td>
<td>Engagement in development</td>
<td></td>
</tr>
<tr>
<td>“HG is an initiative to connect people, to encourage knowledge transfer at the scientific and commercial level. It is innovative because it addresses development […]” (SEPLAN, Government representative)</td>
<td>Support for community of origin</td>
<td></td>
</tr>
<tr>
<td>“Being part of HG means a lot to me because we can show that our successes can be replicated and that my dream is to bridge that gap between those that are overseas and the new generations in Honduras […]” (HGE21)</td>
<td>Becoming a role model</td>
<td>Wellbeing</td>
</tr>
<tr>
<td>“We can be ambassadors of Honduras through HG, but to be ambassadors we have to be good examples of how Hondurans are. I think my experiences can be a motivational example […]” (HGE15)</td>
<td>Shared ideals</td>
<td></td>
</tr>
<tr>
<td>“[…] this organization is interesting because for me this is a platform for us that work abroad, to create a more just society in Honduras and collaborate on its development,” (HGE20)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“HGE allows us, Hondurans abroad, to establish a formal link with diverse organizations and institutions in Honduras that we can work with and provide a solid contribution” (HGE4)</td>
<td>Legitimacy in country of origin</td>
<td></td>
</tr>
<tr>
<td>“The aim is to make agents of change, to develop business ideas, to create markets, new research, and improve education systems […]” (GIZ representative, International cooperation agency)</td>
<td>Becoming agents of change</td>
<td></td>
</tr>
<tr>
<td>[…] It was created for people who have a lot of knowledge, contacts and networks around the world who are proud to help back [Honduras] (ANDI representative, private sector)</td>
<td>Feelings of pride</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Table I

---

**Table III.** Motivations associated to the emergence of HGE by members
melancholy and nostalgia and an ongoing or re-awakened attachment and loyalty to culture and specifically to the homeland which they feel they have left (Shuval, 2000). As another member suggested, HGE allows Hondurans living abroad the opportunity “to give something back to Honduras […] to the land they miss and waits for them.” Informal talks with members support the notion that HGE provides a conduit to strengthen the bonds between diasporans across Europe and their homeland through collective social remittances. Sentimental links toward a homeland were a primary motivating factor for highly skilled members of a diaspora to engage in the emergence of HGE.

Second, a sense of duty supported HGE emergence. Table III shows that diverse members feel a strong social sense of “duty” to support their homeland. Addressing such sense of duty was catered by the intention to “send back” more than financial remittances and expressed as being privileged migrants, desire to contribute and share knowledge. The emotional bond that diasporans had with their country-of-origin evoked a sense of responsibility to contribute to its development. This is evident in the motivation of members to be part of HGE (Table III). A renowned Honduran artist expressed “[…] those of us [Hondurans] who left and have now privileged positions, we were helped by others and we need to help back.” Table III shows that HGE provides a vehicle to address a sense of duty around transmitting ideas and knowledge for the Honduran society to become better equipped in science, equality of opportunities and entrepreneurship among other aspects (Table III). An international translator expressed “the goal is appealing because it allows a group of professionals, scientists and so on that want to share knowledge and experiences to the new generations in the country who need the support.” Whilst some of the members are simultaneously supporters or members of philanthropic organizations that provide tangible aid to Honduras (e.g. Rotary, International Aid projects) informal interviews revealed that HGE fulfills a sense of duty through provision of collective social remittances (Levitt, 1998) shared with other highly skilled diaspora members.

Finally, experience by the authors and data analysis uncovered that well-being, long associated with optimal psychological experience and functioning (Deci and Ryan, 2008), was an important motivational factor for HE emergence. The conceptualization of well-being around migration is complex (Nowok et al., 2013), mostly examined around financial remittances for countries-of-origin (Boccagni, 2015). Table III shows that well-being for HGE members is experienced through feeling as a role model or agent of change, pride, legitimacy and social interactions with other highly skilled migrants in a similar position or status to help their homeland. By transmitting social remittances to wider audiences (e.g. students, artists, scientists, government officials, and business practitioners), and not just a specific group or community, then feelings of self-legitimacy associated with a cause that transcends individual philanthropy were acknowledged. As a business owner expressed “Our work, I feel, is to help others to see that we can change the way things are done.” Well-being involved a sense of meaning derived from pursuing goals in the service of something of wider significance (e.g. community, society, homeland) (Segrin and Taylor, 2007). Another member, a project leader in the United Nations expressed “this is a platform for us that work abroad, to create a more just society in Honduras and collaborate on its development.” Table III shows that being engaged collectively in the transmission of social remittances provides a feeling of well-being and adds to the motivation for a DKN emergence. Involvement in transmitting social remittances to diverse audiences (Tables II and III) was associated to well-being and a motivation for continued engagement.

Discussion
In terms of how highly skilled migrants engage in the emergence of a DKN, findings suggest that both strong and weak ties can be more effective in disseminating information in diverse networks about the organization to gain information and support. The experience and patterns observed around the emergence of HGE reveal the value of links to others within
several networks (Jack, 2005). Findings illustrate that the way highly skilled members of a diaspora activated links within the network was important. In line with Jack (2005), strong ties act as a mechanism to activate a latent network, procuring information and resources for organizational emergence. Highly skilled diaspora members can activate ties in diverse transnational networks (e.g. artists, professionals, and business owners), often spanning more than one country, and act as replicators in networks across countries (Cohen, 2008). Strong and weak ties provide access to a wider transnational social context and serve as a mechanism to activate other weak ties (e.g. “friends of friends”) in diverse networks. The activation of strong and weak ties, prominent in the entrepreneurial literature (Jack, 2005), helps explain how highly skilled migrants engage in the emergence of a DKN. A contribution of this study is that the transnational features of network activation provides an interesting extension to Jack (2005) work about the role of ties in the emergence of a transnational social enterprise.

In terms of a social remittance perspective, this study shows that collective social remittances can comprise diaspora members dispersed across countries and impact wider audiences in a country-of-origin. Thus, this study expands previous findings that focused on social remittance transmission from a single city in a host country to a specific community in a country-of-origin (Levitt, 2001). In terms of DKN literature, findings suggest that when membership is not exclusive to scientists then diverse cultural knowledge, creative arts and others could expand the reach and impact of collective social remittances for a developing country. Latent members of a highly skilled diaspora could be dismissed (Sheffer, 2003) if membership revolves around specific and homogenous human capital. Based on a wider membership base, findings expand the views of Meyer (2001) about the impact of DKNs for developing economies. In line with Siar (2014), a discussion of DKN emergence by highly skilled migrants would be incomplete if diverse types of knowledge, embedded in collective social remittances (Levitt and Lamba-Nieves, 2011), is neglected.

Findings support the view that a sense of homeland duty is often related to the social motivations of migrant entrepreneurs to invest back into countries-of-origin (Nielsen and Riddle, 2009) beyond financial remittances. A sense of duty applies to diaspora communities as they tend to be associational and desire to maintain a relationship with their homeland, which motivates seeking out others who share similar transnational psychological affiliation (Sheffer, 2003) and transmit their ideas and knowledge (social remittances) as a transnational entity. Yet, while intrinsic motivations are perceived to be influential for individual entrepreneurs to create socially orientated enterprises (Gruber and MacMillan, 2017), findings in this study suggest that diverse members of a diaspora (e.g. artists, entrepreneurs, executives, scientists) experience the same feelings through interaction with others in pursuing a common goal to address societal concerns, highlighting the overlooked social features of wellbeing in migrants (Mahonen et al., 2013) that can be addressed through DKNs. The Diasporic features of the motivations presented in this study challenge the view that DKNs can only emerge based on governmental initiatives (Tigau et al., 2017).

Conclusion

This study reveals that a DKN can emerge through the activation of a highly skilled diaspora network structure. The theoretical contributions of this study lie in the transnational features of strong and weak ties for organizational emergence (Jack, 2005). A core diaspora member may activate a latent network of highly skilled migrants that desire to fulfill intrinsic motivations. While previous literature suggests that a diaspora may be a loosely connected and fragmented network, our study suggest that highly skilled migrants represent a transnational community that desires to stay connected to their country-of-origin and can support the emergence of a transnational network structure for development. The empirical contributions of this study lie in understanding how and why highly skilled
migrants from a developing country engage in the emergence of a DKN. Whilst DKNs emergence was previously promoted as an outcome of government-led action, this study contrasts such view by uncovering microfoundations of DKN emergence by migrants. Findings support the view that the transmission of collective social remittances can flow transnationally (Levitt, 1998), making highly skilled migrants effective agents of knowledge circulation (Kleist, 2008) and DKN appropriate vehicles for such endeavours (Meyer, 2007).

Findings are particularly relevant for developing countries seeking to harness social remittances. DKNs with a wider membership base may serve a crucial role in brokering down knowledge between dissimilar scientific, professional and entrepreneurial cultures compared to an individual or specific-domain approach. Moreover, this study suggests that the “brain drain” effect often attributed to migration of skilled professionals (Haas, 2010) may not be detrimental to home countries as their human capital can be useful when formally organized around collective social remittances (Lacroix et al., 2016). Highly skilled diasporas may represent one of greatest resources for homeland development yet much of what they contribute occurs often unnoticed. Policy makers in developing economies may take our findings as a message related to support inclusive DKNs. A DKN such as HGE that has been created around diverse skills and knowledge of diasporas may have greater sustainable impact than DKNs deliberately created by governmental initiatives around specific domains. If discussions between governmental, educational and policy institutions do not align with intrinsic motivations or diverse expertise in DKNs the impact of collective social remittances for development may be limited. As this study suggests, DKNs cannot operate on isolation from governments and thus policy makers may ensure greater contributions by supporting financially and institutionally the social ethos and legitimacy of a DKN in the country-of-origin to motivate engagement (Nielsen and Riddle, 2009; Mähönen et al., 2013).

8. Limitations and further research
This study has a few caveats, and so, findings must be interpreted with caution. First, the advantages and limitations of relying on a single, albeit in-depth and longitudinal, case study (Flyvbjerg, 2006; Stake, 2008) as well as issues related to autoethnographic approaches, such as talking to the right individuals and/or attending relevant meetings or events are acknowledged (Karra and Phillips, 2008). The utility of autoethnography was enhanced by theoretical sensitivity, which prevented being overwhelmed by data volume and highlighted the experience of the authors. Second, the study was conducted around a DKN focusing on one developing country, Honduras, and therefore it may be difficult to infer similar results of DKNs in other developing countries. Yet our findings around the nature of social enterprises created by highly skilled members of a diaspora may have wider applicability in developing and developed countries. A study on Latin American diaspora in the USA suggests that the most educated or skilled migrants are most prone to retain ties with their country-of-origin and be interested in contributing back to alleviating societal concerns (Guarnizo et al., 2003). Thus, further ethnographic studies of organizations created by highly skilled migrants from other Latin American countries are worth pursuing because of their positive role in socio-economical transformations (OECD, 2015; Stephan et al., 2016). Further studies on how highly skilled migrants adapt specific ideas developed in institutions (e.g. universities, art galleries, corporations, international institutions) and include them as social remittances is needed.

Moreover, insight into the contextual challenges that DKNs face remains scarce. As contextual dynamics change in developing countries (e.g. government support), future studies may concentrate on the barriers for diaspora engagement (Sheffer, 2003; Brinkerhoff, 2012). If highly skilled members are either actively discouraged or censored from participating in the transmission of social remittances, support for country development may remain minimal and subdued around financial remittances. Moreover, studies into how
web technologies, can support governmental, international agencies and DKN to engage in the virtual transmission of social remittances is warranted (Oiarzabal, 2012). Multiple case studies across DKNs in developing economies may support, challenge or expand the findings in this study. Additional studies around the dynamics and challenges of social enterprises created by highly skilled migrants will expand our understanding of the influence of migration in society.

References


Emergence of a social enterprise


Further reading

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Understanding internationalisation approaches and mechanisms of diaspora entrepreneurs in emerging economies as a learning process

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Abstract

Purpose – The purpose of this paper is to present an exploration into the internationalisation approaches and mechanisms of diaspora entrepreneurs in emerging economies. It seeks to conceptualise the strategies as a learning process.

Design/methodology/approach – The research is qualitative using a case study approach involving in-depth semi-structured interviews conducted longitudinally.

Findings – The findings suggest that diaspora entrepreneurs adopt mostly the network or, in some cases, the international new venture (born-global) market entry approach rather than the traditional stage by stage approach. The findings also suggest that diaspora entrepreneurs have perceived advantages over domestic small- and medium-sized enterprises (SMEs) because of their foreign exposure which has influenced their entrepreneurial behaviour in exploiting business opportunities.

Practical implications – The main implication of the study is that entrepreneurs who are beginning to internationalise their activities should seek to exploit potential first-mover advantages in emerging economies by realising an approach of internationalisation at high speed.

Originality/value – The paper contributes to better understanding of the diaspora entrepreneurship and its dynamics.

Keywords Entrepreneurs, Developing countries, SMEs, Internationalization

Paper type Research paper

Introduction

Diaspora entrepreneurship is an emerging field of study (Jones et al., 2011; Newland and Tanaka, 2010). Diaspora entrepreneurs are migrants and their descendants who are engaged in entrepreneurial activities that span the national business environments of their countries of origin (COO) and countries of residence (COR) (Riddle et al., 2010). Diaspora entrepreneurs are uniquely positioned to recognise opportunities in their COO, to exploit such opportunities as "first movers" and contribute to job creation and economic growth (Newland and Tanaka, 2010). This is echoed by Dana and Morris (2007) who argue that circular migration and transnational knowledge and social networks that it fosters create very specific opportunities for diaspora entrepreneurs. These entrepreneurs often leverage unique cultural resources or market knowledge in their new ventures (Portes et al., 2002; Liu and Almor, 2016).

Diaspora entrepreneurs play a role in supporting the development of their COO via remittances, but also as investors and institutional change agents, not just in ethnic enclaves but globally (Riddle and Brinkerhoff, 2011; Vaaler, 2013). However, the entrepreneurial and societal roles of diaspora entrepreneurs are often intertwined and blurred. Consequently, the discussion on these roles in the global context is mainly without a clear-cut conceptualization, in comparison to other concepts like social entrepreneurship (Jokela and Elo, 2015).

Diaspora entrepreneurship represents the most significant global trends in the twenty-first century (Dana and Morris, 2007). Dana and Morris (2007) also argue that
research over the past 40 years has demonstrated that diaspora entrepreneurs create new ventures at a high rate and the trend is stronger than ever. However, current knowledge of the ways in which they create ventures, the types of ventures they create and the outcomes of those ventures remains limited.

Although very little research has been completed on the contribution of diaspora entrepreneurs to the economic development of their country of origin, Newland and Tanaka (2010) argue that there is reason to believe diaspora entrepreneurs have the potential to do so. Whilst, the understanding of diaspora entrepreneurship entry approaches is important in terms of speed of entry and first mover advantage (Hilmersson, 2014a), diaspora entrepreneurs face some problems in attempting to expand into or invest in their homelands. Such problems include institutional environment (e.g. inadequate laws and regulations, unfavourable tax regime, import barriers), corruption and lack of good governance and lack of access to financial capital (Newland and Tanaka, 2010). Consequently, internationalisation has been seen as an uncertain and risky undertaking for small firms in the face of an unknown environment (Figueira-de-Lemos et al., 2011).

Despite the above challenges, Dana and Morris (2007) suggest that there may be a common set of key variables that explain diaspora entrepreneurship. Such variables include host country factors, the venture, ethnic networks and co-ethnic dependence over time. Dana and Morris (2007) explain that countries differ in terms of their overall entrepreneurial orientation, where the basic cultural values and norms of society are more consistent with individual initiative, personal responsibility, wealth creation, reward for hard work, competitiveness and innovation. Consequently, not only does diaspora entrepreneurship flourish in environments such as above, but they also make major contributions to economic development. With respect to the venture which, often times, are in low entry barrier industries, where differentiation of the business is difficult, and competition is price based, ethnic network can serve to offset these challenges and create a workable competitive space for the entrepreneur by acting as a source of resources and legitimisation.

The study seeks to answer the question:

RQ1. How do diaspora entrepreneurs bridge international contexts and mobilise diverse entrepreneurial resources to foster internationalisation in emerging economies?

Specifically, the objectives of this research are two-fold:

(1) to investigate the internationalisation approaches used by diaspora entrepreneurs; and

(2) to examine how diaspora entrepreneurs are uniquely positioned over domestic small- and medium-sized enterprises (SMEs).

It explores these objectives by using empirical data of diaspora entrepreneurs from different industries, namely, food manufacturing, retail, publishing, education, agriculture, petro-chemical and information technology. The entrepreneurs are all originally from Nigeria, a new emerging market (Euromonitor International, 2015), but resident in the UK and engaged in international activities in the country of origin (Nigeria). Euromonitor International (2015) argue that the five new emerging markets: Nigeria, Indonesia, Mexico, Philippines and Turkey offer a wealth of opportunities for marketers facing stagnant demand in developed markets.

The study employs a qualitative methodology involving in-depth semi-structured interviews of the entrepreneurs. By focusing on the behaviour of these entrepreneurs with respect to their internationalisation mechanisms, the paper is concerned with how and why diaspora entrepreneurs actually enter international markets, rather than what the traditional theories of internationalisation suggest. This is because researchers have sought to document the frequency with which new ventures use different mechanisms to penetrate new foreign markets (Zahra et al., 2004).
The main body of literature on internationalisation has focussed on multinational corporations, thus, our knowledge remains limited with regards to diaspora entrepreneurs (Hilmersson, 2014a). However, so far, studies on internationalisation that are based on SMEs are from developed economies (Crick, 2009). The neglect of diaspora entrepreneurs from emerging economies has hampered understanding of the phenomenon of these firms’ internationalisation and represents an important gap in the literature (Zhang et al., 2014). This is interesting as, compared to their larger counterparts, diaspora entrepreneurs have to be more conscious, careful and selective when making decisions concerning internationalisation (Hilmersson, 2014a). This is because diaspora entrepreneurs are constrained by resources and limited pool of international experience even more than other SMEs (Riddle et al., 2010).

This paper offers the following important contributions. First, the study contributes to knowledge regarding sustainable and successful internationalisation approaches of diaspora entrepreneurs in emerging economies. Second, it advances this stream of research by challenging the conventional assumption that internationalisation is a risky venture for small businesses (Figueira-de-Lemos et al., 2011). Third, it contributes to the literature by examining how diaspora entrepreneurs are uniquely positioned to recognise opportunities in COO.

The paper is structured as follows. After a brief summary of the theoretical framework and methodology employed in the study, the findings of the case studies are presented and discussed using a learning framework. The paper concludes with the implications and limitations of the study and suggests avenues for future research.

The theoretical framework

Bricolage theory of entrepreneurship

Bricolage theory was originally introduced by the anthropologist Levi-Strauss (1967) to distinguish between the actions of an engineer and that of a handyman or “bricoleur”. Levi-Strauss (1967) posits that unlike the engineer, the “bricoleur” would “make-do” with the material at hand to accomplish a particular project as it develops. By contrast, the engineer plans ahead, gains access to all that is needed to complete a task before starting. In this respect, the bricoleur’s approach is regarded as irrational as the projects are accomplished by solving problems as they occur, with whatever is available rather than whatever is actually needed. This is radical experimentation rather than planning ahead (Levi-Strauss, 1967).

Therefore, bricolage has been loosely defined as making-do with whatever is at hand (Miner et al., 2002); using whatever resources and repertoire one has to perform whatever task one faces (Weick, 1993); tinkering through the combination of resources at hand and the invention of resources from available materials to solve unanticipated problems (Cunha, 2005). The common themes across these definitions are active problem solving and/or opportunity seeking; reliance on pre-existing materials at hand; and resource re-combination for novel use (Vanenvenhoven et al., 2011).

The theory focuses mainly on how entrepreneurship emerges in economically depressed, or resource-poor areas and working under resource constraints (Davidsson et al., 2017). It is driven by the concept of making something out of nothing. The word “nothing” refers to under-utilised resources that can be coalesced into productive resources.

This theory has implications for diaspora entrepreneurs who “make-do” with the resources at hand such as business and personal networks to overcome institutional and cultural barriers as well as financial and human resource constraints. For an entrepreneur, the resources at hand are those that are readily available in his/her environment, such that their acquisition and use does not require great effort or extensive capital. These types of entrepreneurs refuse to accept the limitation of their environment; instead they take action
despite such limitations and pay no regard to generally accepted standards (Davidsson et al., 2017). The economic conditions and limited financial resources in Nigeria are examples of the conditions diaspora entrepreneurs might experience.

Resource-based theory of internationalisation
The resource-based theory is concerned with using different types of resources to start-up entrepreneurial activities (Barney, 1991). These resources include access to capital which is usually limited in supply (Newbert, 2007). Resource-based theory also focuses on leveraging social networks and the information they provide to build social relationships which promotes trust (Reynolds, 1991). The theory is based on Penrose’s (1980) work, which views the entrepreneurial firm as a collection of resources which include financial, physical, technological and human resources.

The theory attributes the decision of the entrepreneur to go international to the availability of resources or lack of them (Ibrahim, 2004). Therefore, the more resources the entrepreneurial firm has, the more likely it will engage in international activities and the entry mode is driven by the availability of resources (Ibrahim, 2004). For example, a small firm with limited resources may choose an export mode rather than establishing a foreign manufacturing base.

The alternative argument in favour of the resource-based theory is that entrepreneurs go international because of their limited resources. In other words, entrepreneurs go international in search of critical resources, which is consistent with entrepreneurs’ behaviour and characteristics as opportunity driven (Ibrahim and McGuire, 2001). Within the resource-based theory is the concept of core competencies or entrepreneurial capabilities which are the collective learning in organisation (Obrecht, 2004).

Experiential learning theory
The theory was developed by Kolb (1984), building upon earlier work by Dewey and Lewin. The key concept of the theory is that learning is the process which involves experience, emotion, cognition as well as external environmental factors (Kolb, 1984). It infers that learning is more holistic with knowledge created through the transformation of experience. Simply put knowledge is created by combining, grasping and transforming experience (Kolb et al., 2001).

The theory presents a model of learning, consisting of four stages:

1. Concrete experience (or “do”): this is a stage where the learner actively experiences an activity such as a lab session or field work.
2. Reflective observation: at this stage the learner consciously reflects back on that experience.
3. Abstract conceptualisation (or “think”): this is a stage where the learner attempts to conceptualise a theory or model of what is observed.
4. Active experimentation (or “Plan”): the learner is at this stage trying to plan how to test a model or theory or plan for a forthcoming experience.

Kolb and Fry (1975) argue that the learning cycle can begin at any stage of the four points, but must follow each in the sequence. Although Dewey (1933) critiques that a number of processes can occur at once and stages can be jumped, it is suggested that the learning process often begins with a person carrying out a particular action and then seeing the effect of the action in this situation.

The implication of this theory for the internationalisation behaviour of diaspora entrepreneurs is that this group of entrepreneurs construct new meaning in the process of recognising and acting on opportunities and of organising and managing new ventures.
They learn experientially based on their activities. The learning process starts as a result of critical incidents, triggers and/or unusual events and these events are qualified as having either positive or negative connotations but the outcomes are generally of the positive nature (Cope, 2003; Ekanem and Uwajeh, 2017). Cope (2003) indicates that critical incidents accelerate the process of learning and growing self-awareness and, therefore, often prove to be seminal moments within the process of change. As a consequence of these incidents, diaspora entrepreneurs tend to be reflective, learn from their experiences and from their social and business networks. They look back on their actions; this increases their self-awareness prompting a personal change which impacts their business and their internationalisation approach (Cartwright, 2002; Johanson and Vahlne, 2003; Liu and Almor, 2016; Ekanem and Uwajeh, 2017).

The network theory of internationalisation
The network approach suggests that internationalisation depends on the set of network relationships (comprising customers, suppliers, competitors, support agencies, family and friends) rather than a firm’s specific advantage (Ibrahim, 2004; Ekanem and Uwajeh, 2017). In other words, knowledge gained from an organisation’s network influences the internationalisation approaches and facilitates market entry by facilitating the learning experience, helping in overcoming financial and human resources constraints and providing information to compensate for limited knowledge (Coviello and Munro, 1995).

The network theory draws attention to how the business and social network relationships of a firm impact its learning (Johanson and Vahlne, 2003). This is because relational sensitivity denotes people’s attention to relational concerns in social interactions (Liu and Almor, 2016). Johanson and Vahlne (2003) argue that business and social networks are a set of interconnected relationships in which the exchange relation between firms is conceptualised as collective actors. Two key words in this definition are “interconnected” and “exchange”. It points out that firms do not exist in isolation but are part of networks that are industry, market, location or customer related as well as a kind of give-and-take process that occurs in networks (Ekanem and Uwajeh, 2017). It has been recognised that links with customers that are necessary to complete a sale may also involve value added if, for instance, the firm receives market information from the customer that goes beyond that necessary to complete an individual transaction (Fadahunsi et al., 2000).

Networks become especially important if there are entry barriers such as unknown cultural practices such as tax breaks, close substitutes and competition (Baum et al., 2013; Ekanem and Uwajeh, 2017). Liu and Almor (2016) argue that cultural assumptions and their underlying influences largely resonate with variations in relational focus across cultures. When a new venture perceives these barriers to be high, international network contacts may be vitally important to expand international activities and successfully overcome such barriers (Baum et al., 2013) as well as reduce the risk and uncertainty level involved in foreign markets (Ibrahim, 2004) because the way entrepreneurs cope with uncertainty is influenced by culture and it is, therefore, important for entrepreneurs to understand how culture affects these relationships (Liu and Almor, 2016).

The international new venture (INV) theory
An increasing number of firms are engaging in international activities and establishing themselves in foreign markets from the outset (Ekanem and Uwajeh, 2017). These organisations do not follow the traditional stage by stage theories due to their unique capabilities (Oviatt and McDougall, 2005). They are often referred to as INVs or “Born Global” (BG). These are business organisations that, from inception or within eight years, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries (Andersson, 2011). Hashai (2011) argues that, in fact, the term...
“BG” is somewhat misleading as these firms are not genuinely “born” globally dispersed, but rather increase their level of internationalisation rapidly from inception. INVs do not follow the sequential path of internationalisation, that is, their market entry is not on the premise of knowledge accumulation (Ekanem and Uwajeh, 2017). These firms are usually niche oriented and their market choices are based on specialisation of their products as well as their collaborative efforts (Knight, 2015). In addition, a combination of factors contribute to this rapid process and these are the founder/entrepreneur, international competencies resulting from an international orientation and a hybrid organisational structure that promotes the maximum use of limited resources (Knight and Cavusgil, 2004; Ekanem and Uwajeh, 2017).

BG SMEs are characterised by limited tangible and financial resources. Consequently, an interesting research question is how such firms succeed in international business despite limited resources (Knight, 2015). The literature suggests that, unlike large multinational enterprises, smaller firms are often more adaptable, more innovative and have quicker response times for implementing new ideas and meeting customer needs.

The literature has also offered multiple explanations for the early and rapid internationalisation of young and resource-constrained firms that exhibit much less risk aversion than gradually internationalising firms. These explanations mostly focus on the ability and need of BG firms to leverage the competitive advantage, international connections and bicultural advantages conferred by their unique technological knowledge to internationalise rapidly via multiple collaborative modes while simultaneously leveraging their international presence to supplement this technological knowledge (Liu, 2017).

The need to focus on the individual who creates a new venture is emphasised by Shaver and Scott (1991). They indicate that it is this person in “whose mind all possibilities come together, who believes that innovation is possible and who has the motivation to persist until the job is done” (p. 39). That means, without the vision, willingness, tenacity and creativity of such individuals, these ventures will not exist (Ekanem and Uwajeh, 2017). This has implication for learning. It, therefore, follows that at any given point in time the managers of BG firms need to make crucial decisions in relation to the utilisation of their limited resources to expand their foreign operations and/or their geographic scope (Hashai, 2011). Kyvik et al. (2013), Ekanem and Uwajeh (2017) suggest that the mind-set, attitudes, global orientation of the decision makers, market conditions as well as their ability to develop resources to compete internationally are elements that allow BGs enter international markets. However, Glaister et al. (2014) argue that born-global firms are able to shift away from externalised, market-based approaches towards more internalised, commitment-based approaches in order to survive, adapt and grow.

Gaps in the literature
While the significant liabilities in start-ups are common problems in the internationalisation literature there is a clear gap with respect to knowledge of these issues for diaspora internationalisation process. For example, because of their small size, they experience significantly more costs during internationalisation than both developed countries SMEs and large firms from the same emerging economies (Hilmersson, 2014b). Such costs are primarily efficiency costs including interpretation-based costs due to market ambiguity (Crick, 2009). In addition, diaspora entrepreneurs may have difficulties in maximising economies of scale which is a key benefit of internationalisation due to internal constraints of resource, capability and managerial skills (Zhang et al., 2014). The question now remains: how do diaspora entrepreneurs mobilise the limited resources available for internationalisation?

Research methodology
A qualitative research was chosen due to the nature of the research question which is to understand how diaspora entrepreneurs mobilise diverse entrepreneurial resources to foster
internationalisation approaches in emerging economies. The qualitative method involved semi-structured interviews conducted longitudinally which involved visiting the companies twice over a period of one year (Buckley and Chapman, 1997; Andersson, 2002). The advantages of a qualitative research include the ability to learn directly from research subjects, thereby reducing measurement errors common in survey studies which often need to make assumptions (Dana and Dana, 2005; Ekanem and Uwajeh, 2017). Dana and Dana (2005) also posit that a qualitative research enables a detailed study of the environment, culture and the context of entrepreneurial behaviour.

The research participants were identified through the assistance of a gatekeeper (Stockport and Kakabadse, 1992), who was provided with clear selection criteria (such as business sectors, origin of owner–managers and business characteristics). A sample of ten case study firms was decided upon, drawn from different sectors (i.e. IT, food, retail, publishing, education, petro-chemical and agriculture). The owner–managers of these companies were all of Nigerian origin and resident in London (see Table I). In other words, they were return-migrant enterprises whose companies were UK based with operations in Nigeria. To be included in the study, the firms had to be small and medium sized (SMEs)[1] and independently owned by the entrepreneur.

The ten firms were decided upon based on Eisenhardt (1989, p. 545) which argues that “[...] while there is no ideal number of cases to include in the sample, a number between 4 and 10 usually works well. With fewer than 4 cases it is often difficult to generate theory […], with more than 10 cases it quickly becomes difficult to cope with the complexity and volume of the data”.

The strategy of using case studies in this research enabled a thorough study, in-depth and detailed, of a limited number of objects, individuals and environment (Dana and Dana, 2005). Although business owners were the primary respondents as key decision makers, sales managers/representatives were also interviewed where possible to help in checking and stabilising any conflicting evidence.

All of the interviews were face-to-face with the exception of one which was a telephone interview. The interviews followed an interview protocol which comprised a schedule or a list of how the interview was conducted (Creswell, 2014; Ekanem and Uwajeh, 2017). Since the research is conceptualised as a learning process, it was conducted longitudinally during which owner–managers and senior managers were interviewed twice over a period of one year (once in 2015 and once in 2016). The respondents were not informed beforehand of the second interviews. The longitudinal element enabled the researcher to identify when the learning actually took place (Ekanem, 2015).

Prior to the beginning of the first interview, the participants were reminded of the purpose of the research and presented with the consent form. They were advised that the interview would be semi-structured because this interview method provided them an opportunity to speak freely, tell their story and expand on particular points of interest

<table>
<thead>
<tr>
<th>Business owner</th>
<th>Com 1</th>
<th>Com 2</th>
<th>Com 3</th>
<th>Com 4</th>
<th>Com 5</th>
<th>Com 6</th>
<th>Com 7</th>
<th>Com 8</th>
<th>Com 9</th>
<th>Com 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>40</td>
<td>46</td>
<td>50</td>
<td>30</td>
<td>50</td>
<td>36</td>
<td>37</td>
<td>42</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Male</td>
<td>Female</td>
<td>Female</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
</tr>
<tr>
<td>Length of residence in the UK</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
<td>years</td>
</tr>
<tr>
<td>Level of education</td>
<td>BSc</td>
<td>ACMA</td>
<td>BA</td>
<td>MSc</td>
<td>HND</td>
<td>BA</td>
<td>MA</td>
<td>HND</td>
<td>BSc</td>
<td>BSc</td>
</tr>
<tr>
<td>Frequency of visits to COO&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: <sup>a</sup>Frequency of yearly visits before company formation and more frequently thereafter
(Boyatzis, 1998). During the interview, in addition to tape recording, appropriate notes were taken whilst listening attentively and interruptions were only for probing, clarification and/or confirmation of points.

The first interviews in 2015 were exploratory in nature (Jarvis et al., 1996). They took the form of a personal open-ended reflective interview where each participant was asked to narrate their life history in business from start-up to present (Cope, 2003). They established the initial boundaries for the research as well as providing details of the owner–managers’ background and personal biographies such as age, education and training, and experience (Ekanem, 2007). They also focused on the motivations for starting the business and their internationalisation mechanisms as well as issues faced in terms of resources and reliance on pre-existing materials at hand. This helped to highlight the major issues of the study and was also useful in building rapport (Gill and Johnson, 2010; Ekanem and Uwajeh, 2017).

The second part of the interviews in 2016 was more in-depth. In this part of the interview, participants discussed their internationalisation approaches/mechanisms in greater depth and were probed to discuss in detail the emerging themes from the first part of the interviews. These included the significance of knowledge and learning in the internationalisation process; how the knowledge and learning was acquired and how the entrepreneurs overcome market entry barriers such as limited resources and making something out of nothing. Participants were also asked during the second interviews about their perceived uniqueness over domestic SMEs in the development of enterprises.

The first interviews lasted for about an hour, but the second lasted considerably longer than this as matters were dealt with in detail. With the agreement of the participant all the interviews were tape recorded, on the understanding that the material provided would be treated as confidential. During this part of the interview, the interviewer took the opportunity to review meanings of what was heard (e.g. “Did I hear you emphasise that […]”, “Would this be a fair interpretation […]?”, “Is my understanding correct that […]?”). Upon conclusion of an interview session, a recap of the interview was done; interviewees were reminded of their rights (to withdraw at any time, anonymity and confidential) as well as how the data will be used (Ekanem and Uwajeh, 2017).

**Data analysis**

The data analysis was inductive which involved recording, tabulating and coding the data and comparing the emerging codes and categories until it became meaningful and sensible. The categories emerged from the emphasis placed on each topic by the respondents as far as their learning and perceptions of internationalisation mechanisms were concerned. In the analysis, content analysis, pattern-matching and explanation-building techniques were used (Yin, 2014).

Content analysis consisted of listening to the interview tapes and transcribing the interviews and reading over the transcripts. It allowed for the data to be properly organised which made it easier to go through each topic and pick out concepts, themes and features associated the learning behaviour of the respondents and their internationalisation approaches (as shown in Figure 1). Examples of these features include the circumstances and rationale leading to internationalisation. They also included critical incidents which triggered the learning process, what was learned, how it was learned and from whom (Ekanem, 2015). Categories were then established and developed into typology.

Pattern-matching technique involved identifying salient themes, recording ideas or language and patterns of belief that link people and settings together. It involved looking for frequently used words/phrases and making note of them and examining whether there were any interesting patterns and how the data related to what was expected on the basis of common sense or previous theory (Yin, 2014). For example, the use of gut-feeling, judgement, experiences, resources, reliance on pre-existing materials at hand, families and friends by
owner–managers with respect to internationalisation behaviour emerged from field notes and transcriptions. It also involved examining whether there were inconsistencies or contradictions between owner–managers’ beliefs or attitudes and what they do (Ekanem, 2015).

Explanation-building technique allowed series of linkages to be made and interpreted in the light of the explanations provided by each respondent. The aim was to build a general explanation based on cross-case analysis (Yin, 2014). This technique allowed explanation of the findings to be built around business owners individual experiences, which means that body language and tone of voice on certain answers were put into consideration when analysing the information gathered from the interviews.

Being inductive, the data analysis utilised a data coding approach, which involved continuing revision and refinement of category, searching for sub-topics, including contradictory points of view and new insights and selecting appropriate quotations that convey the core themes or essence of a category (Fisher, 2004). The codes took the form of “code domains” which highlighted key contexts, actions, meanings and relationships, based on themes and processes identified from the transcribed interviews, whilst informed by the guiding frame of reference identified in the initial literature review, underpinning the study (Fisher, 2004) (Figure 2).

Findings

The main characteristics of the business owners are summarised in Table I including age, gender, education, migration history (length of residence in the UK) and the frequency of visits to COO. The study consisted principally of ten case study firms as illustrated in the profiles in Table II, showing the size, number of employees, the year founded, turnover and sector. The oldest firm is a petrol chemical company founded in 2004 and the youngest is an information technology firm founded in 2013.

The ten firms fit into the category of SME as defined in this study. Extracts from the interviews with the interviewees are presented in this section. Some firms used a combination of approaches (Table III).

This study has been developed from the premise that we know little about how diaspora entrepreneurs deal with the constraints facing all internationalizing firms, with the expectation they feel them worse, although the results show that being diaspora entrepreneurs also offers potential benefits. The findings in this study indicate that diaspora entrepreneurs adopt the network and sometimes the INV approaches which are conceptualised as a learning process as demonstrated in the findings from the ten case study firms.
Companies 1, 2 and 8 adopted the INV or “BG” approach as a result of what they have learned through their experiences since the companies served the Nigerian market from its inception, which is consistent with Liu (2017) and Andersson (2011). The owners of these businesses indicated during the second interview that in the last year they had learned from their experiences as well as from their personal and business networks, starting from “thinking” through and “reflecting” on what was learn and “doing” what was learned (Kolb and Fry, 1975). When the owner of Company 1, an IT company, was asked about their international market entry approach, how he came to adopt the approach and the critical event that necessitated his international venture, he explained that he lost his job in his country of origin:

I used to work for a company called Monitise. They created an arm called Emerging Markets and what we were supposed to do was to try and conquer Africa. So we went to Nigeria. Unfortunately, due to the way things were at the time, we were not allowed to go and offer services to banks, you know B2B [business to business]; it had to be customer facing. Even though we had the licence and local partners, the challenge was that for Monitise it was not their core business function, so they pulled out and I was out of a job. But, that experience opened my eyes to something- an opportunity in Nigeria. (First interview, 10 June 2015)

The above quote challenges the traditional theory of internationalisation since the opportunity in Nigeria led the owner of Company 1 to set up his IT Company in Nigeria right from day one. The owner–manager of this company went on to state that as a Nigerian he had already understood the culture of the country and so did not perceive any issues with conducting business there (Baum et al., 2013). During this interview, the owner–manager of this company seemed hesitant to reveal the role of his experience in the Nigerian market, perhaps because he was not immediately conscious of it. However, when asked during the second interview of 15 July 2016 to reflect on how his knowledge of the culture has helped in the internationalisation mechanism, he admitted that he has only learned a lot in the last year through experience, judgement and gut-feeling which he described as “self-learned approach” (Kolb’s, 1984 learning theory). He emphasised that being a Nigerian made it easy
for him to recognise the opportunity in Nigeria since he knows his way around the business environment, but it was the learning experience that has really helped him. This admission was probably because at this stage the relationship between him and the researcher had developed significantly.

**Personal or social network approach**

Personal network can be defined as part of an individual’s overall social network which includes contacts from previous work experience as well as family, friends (Tang, 2011). Consistent with Tang (2011), the internationalisation approach in Companies 2, 3, 5, 6 and 7 were based on personal or social networks usually entailing the use of family and friends. Companies 2 and 7 developed their personal network through community gatherings in country of residence, while in Companies 3, 5 and 6 the entrepreneurs had established

<table>
<thead>
<tr>
<th>Firm</th>
<th>No. of employees</th>
<th>Year founded</th>
<th>Turnover</th>
<th>Sector</th>
<th>Main activities</th>
<th>Internationalisation mechanisms/approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>2013</td>
<td>£1m</td>
<td>Information technology</td>
<td>Digital payment services; value added services to agent distribution networks</td>
<td>International new venture (born-global)</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td>2012</td>
<td>£500k</td>
<td>Food Manufacturer</td>
<td>Ready-to-eat meals; meal compliments (sides)</td>
<td>Personal network/born global</td>
</tr>
<tr>
<td>3</td>
<td>20</td>
<td>2012</td>
<td>£1m</td>
<td>Food Manufacturer</td>
<td>Health products: Uslim; nutritious weight loss shakes; Ufit: milk with added muscle that supports active life style; Ufit Breakfast: breakfast drink; UfitPro: Supersize protein shake that contributes to the growth and maintenance of healthy muscles; collagen + beauty milk; Nutritious beauty milk; Gohealth Balance: Daily immune defence shake; Gohealth Joint protect: For healthy flexible joints</td>
<td>Personal network</td>
</tr>
<tr>
<td>4</td>
<td>45</td>
<td>2008</td>
<td>£2m</td>
<td>Agriculturist</td>
<td>Third generation family business that specialises in the production, packaging and sales of wholesale fruits and vegetables</td>
<td>Business network</td>
</tr>
<tr>
<td>5</td>
<td>11</td>
<td>2010</td>
<td>£7m</td>
<td>Information Technology</td>
<td>Retail of electronic products</td>
<td>Personal network</td>
</tr>
<tr>
<td>6</td>
<td>30</td>
<td>2006</td>
<td>£3.5m</td>
<td>Textile</td>
<td>Fashion/clothing</td>
<td>Personal network</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>2010</td>
<td>£500k</td>
<td>Catering</td>
<td>Food manufacturing</td>
<td>Personal network</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>2011</td>
<td>£2.6m</td>
<td>Web design and development</td>
<td>Web applications and software</td>
<td>Business network/ born global</td>
</tr>
<tr>
<td>9</td>
<td>7</td>
<td>2000</td>
<td>£3m</td>
<td>Publishing</td>
<td>Books E-Books Children literature Oil and gas</td>
<td>Business network</td>
</tr>
<tr>
<td>10</td>
<td>35</td>
<td>2004</td>
<td>£5m</td>
<td>Petro chemical</td>
<td></td>
<td>Business network</td>
</tr>
</tbody>
</table>

Table II. Profile of case study companies
networks in the COO prior to immigrating. For these companies, the critical events in the learning process were the lack of self-confidence, resources and market knowledge. The lack of tangible and intangible assets presented a barrier to the entrepreneurs in accomplishing their goals and the entrepreneurs tend to use their personal network ties to overcome these barriers. For example, the owner of Company 3 revealed, when asked about how he established his business venture in Nigeria, that it was propelled by his personal network:

I worked with a guy for ten years when I was in the dough business. He used to sell my pastries in Nigeria when I was in General Mills. So now he works for another company but he does some consultancy for a small agent out there. He took it [the business] into Nigeria for me. Now, I am in about 104 store courts in Nigeria. I am in most petrol stations in Nigeria and he’s done all that.

(First Interview, 10 June 2015)

The above quote demonstrates the use of a personal network to facilitate the entry into the Nigerian market and to boost self-confidence. During the second interview, this business owner boasted of having a broad scope of international activities which enhances his opportunities to learn from diverse circumstances and environments. He indicated that the relationship established with his co-worker during his time at General Mills became a personal relationship and yielded returns. The sales manager, in support of the business owner, pointed out the significance of this type of relationship in terms of learning from the personal network which is vital not only for survival but also for being able to develop confidence and compete with other firms.

The owner of Company 6, a textile/fashion business, indicated that it was her cousin and family members who were instrumental to her market entry mechanism. The quote below explains the approach:

Initially, opening my own store in Nigeria was not possible due to my inexperience of the market. However after attending an innovative forum with my cousin who kept on encouraging me and supporting me, I realised I could start my clothing outfit. He provided me with business contacts and information. This has tremendously helped me in gaining traction for investment for my business. (First Interview, 12 June 2015)

<table>
<thead>
<tr>
<th>Company</th>
<th>Critical incidents</th>
<th>What was learned</th>
<th>From whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job loss in country of origin</td>
<td>Learn to take opportunity</td>
<td>Experience; judgement and gut-feeling</td>
</tr>
<tr>
<td>2</td>
<td>Culture of stiff competition in country of origin</td>
<td>Learn different strategies for competition; confidence</td>
<td>Cousin; competitors</td>
</tr>
<tr>
<td>3</td>
<td>Lack of market knowledge; lack of resources</td>
<td>Survival; Ability to compete</td>
<td>Former colleague who became a personal friend</td>
</tr>
<tr>
<td>4</td>
<td>Lack of innovation</td>
<td>Quality and price differentiation; ability to handle sales fluctuations and decreases in demand</td>
<td>Customers</td>
</tr>
<tr>
<td>5</td>
<td>Rapid changes in technology</td>
<td>Good customer service</td>
<td>Brother</td>
</tr>
<tr>
<td>6</td>
<td>Lack of confidence; Lack of flexibility</td>
<td>Confidence; knowledge</td>
<td>Cousin/family member</td>
</tr>
<tr>
<td>7</td>
<td>Lack of self-confidence; Lack of flexibility</td>
<td>Confidence; ability to interpret business environment</td>
<td>Customer; Family</td>
</tr>
<tr>
<td>8</td>
<td>Lack of resources</td>
<td>Trust and opportunity taking</td>
<td>Experience; judgement and gut-feeling; Consultant</td>
</tr>
<tr>
<td>9</td>
<td>Economic downturn; Lack of flexibility</td>
<td>Ability to exploit economies of scale; balance sales fluctuation</td>
<td>Business colleague; Networking event</td>
</tr>
<tr>
<td>10</td>
<td>Lack of financial resources</td>
<td>Fund raising ability</td>
<td>Networking events; Venture capitalist</td>
</tr>
</tbody>
</table>

Table III. The learning perspective

IJE BR
25,5
830

830
The case of the textile business also demonstrates the importance of using personal networks as an entry mechanism in terms of the encouragements and support as well as business contacts. During this first interview, the owner–manager denied learning from anybody despite acknowledging the importance of personal networks. However, during the second interview as the relationship between her and the researcher developed, it emerged that personal relationships with her networks had considerable influence on the internationalisation approach. Probed about what she learned from the relationship with her cousin and family members, she referred to confidence to explore the Nigerian market. She also emphasised the benefit of the relationship in terms of the knowledge accumulation and “reflection” through learning from her cousin and other family members which has helped in the growth of her business. The owner of Company 7, a catering business, who learned from a friend as well as customers, also emphasised on confidence: “Confident to do what I love!” (Second Interview, 19 July 16). During the second interview she also referred to the trust embedded in personal relationships, which she was reluctant to discuss during the first interview. She described it as “an enabler for transferring and receiving resources”.

Business network approach
The use of business networks as an entry mechanism was evident in Companies 2, 4, 8, 9 and 10, which is consistent with the findings in Jeong (2016). The owners of these businesses indicated that the approach was adopted through a learning process which was triggered by the culture of stiff competition (Company 2), lack of innovation (Company 4), lack of resources and flexibility (Companies 6 and 8) in the country of origin. For Company 4, it was the customers who determined the internationalisation approach. The following account from the respondent explains the process:

We don’t select the customers, but it is the customers who select their own supplier. So, the customers normally select us because the total distance to transfer the product to their packing house seems shorter and they have to pay less transport fee. (First Interview, 11 June 2015)

The case of the agriculturist is a demonstration of where the relationship with customers enhanced the internationalisation approach due to the type of products, proximity and less transportation cost. This is also a clear support for Madsen et al. (2000) which argue that market choices are not only based on cultural similarities but also on relationships and/or specialisation of their products as well as collaborative efforts.

During the second interview, when asked about their ability to interpret the environment, it became known that the company was learning from customers. For example, the owner–manager of Company 4 explained his learning experience in terms of knowledge acquired from customers to be able to deal with quality and price:

I try to get useful knowledge regarding technology, machinery, seeds, and all these things because we have to work on a permanent combination of quality and price. For me this is the way to be differentiated. It is the only weapon we have to build and keep permanent relations with customers otherwise you are just a typical watermelon producer having nothing to be differentiated from the massive farmers and competition. (Second Interview, 18 July 2016)

The above quote illustrates how the owner–manager was able to learn about quality and price differentiation by being sensitive to customers’ requirements; by thinking, reflecting and putting into action what was learned previously. It is through quality and price differentiation that this company was able to add value which gives them the competitive edge. Learning from customers also provided this company with the ability to spot indications of uncertainty in the international business environment through information provide by customers which enabled the company to be alert and flexible. This offers the flexibility to adapt its activities to be able to handle sales fluctuations and decreases in demand.
For the owner of a publishing company (Company 9), it was a business colleague who introduced him to a networking event and encouraged him to establish a publishing business in Nigeria. Apart from setting up an E-publishing business, he also set up a children’s literature publishing business in Nigeria one year after setting up a similar venture in London:

I was at an event when a colleague of mine showed me a journal on his I-pad. That technology was just foreign to me but the concept of people reading books and magazines on a device dawn on me. I also set up a children’s book publishing in that same year. This enabled the exploitation of economies of scale. (First Interview, 15 June 2015)

The business colleague helped the owner of the publishing company to widen the scale of his international operations which enabled him to exploit both economies of scope (reduced average total cost of production) and economies of scale (cost advantage from increased output) and also balance sales fluctuations between London and Nigeria. This was possible through the willingness of the business colleague to share and transfer knowledge and resources. During the first interview, the owner–manager of Company 10 identified lack of financial resources as a trigger for the learning process and by the second interview he had learned fund raising skills from a venture capitalist.

**Perceived uniqueness over domestic SMEs (Table IV)**

**Greater willingness to take risk.** The owner–manager of Company 1 indicated that the uniqueness of his business over domestic SMEs is his greater willingness to take risk. The sales person interviewed also made the point that the entrepreneurs’ experiential knowledge base of the environment reduces uncertainty and perceived costs regarding the international operations as well as contributes to greater risk taking. The owner of the company explained the advantage his business has over domestic businesses as follows:

I am able to excel over local enterprises because I don’t live in the system. I am outside the system, as it were. I am not under the turbulent political and economic conditions that stifle local enterprises and I can take risk. (Second Interview 15 July 2016)

<table>
<thead>
<tr>
<th>Company</th>
<th>Perceived uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Greater willingness to take risk; ability to deal with uncertainty; not living under turbulent political and economic conditions; greater scope of international operations</td>
</tr>
<tr>
<td>2</td>
<td>Greater willingness to take risk; ability to evaluate the effect of cultural and social norms; foreign exposure/experience; greater experience in funding opportunities</td>
</tr>
<tr>
<td>3</td>
<td>Broader scope of operation; greater experience, greater willingness to take risk</td>
</tr>
<tr>
<td>4</td>
<td>Greater diversity; greater international outlook useful knowledge of technology; greater managerial skills</td>
</tr>
<tr>
<td>5</td>
<td>Knowledge and awareness of funding sources; greater exposure; ability to understand and interpret business environment; stronger desire to see the development of homeland</td>
</tr>
<tr>
<td>6</td>
<td>Foreign exposure/experience ability to effect changes; scope of international operation; ability to understand and interpret business environment more easily</td>
</tr>
<tr>
<td>7</td>
<td>Greater ability to deal with investors, expansion of business outlook; greater access to raw materials/suppliers; trust – lacking in domestic businesses due to corruption</td>
</tr>
<tr>
<td>8</td>
<td>Greater ability to understand the effect of cultural and social norms on business; ability to factor in distinct business culture; advantage over foreign exchange, currency fluctuation, fragile economy and political instability</td>
</tr>
<tr>
<td>9</td>
<td>Greater financial capital; foreign exposure; ability to understand and interpret business environment</td>
</tr>
<tr>
<td>10</td>
<td>Foreign exposure and diversity; higher risk taking propensity; stronger desire to see homeland develop; ability to think outside the box</td>
</tr>
</tbody>
</table>

**Table IV.**

Perceived uniqueness over domestic SMEs
Foreign exposure and diversity. The owner–manager of Company 10 emphasised on foreign exposure as being his unique position over domestic SMEs. He explained:

The advantage of having developed a business in the UK for so many years has made it possible to work with a diverse range of workers and entrepreneurs. This has definitely helped to shape and sharpen my approach to businesses in the industry better than if perhaps, I do not have a foreign exposure. The importance of diversity in business cannot be overemphasised. The majority of domestic SMEs lack the flavour of diversity. (Second Interview, 20 July 2016)

These quotes are representative of the advantages reported by the other participants. It suggests that diaspora entrepreneurs have the cultural, social and a slightly greater financial capital and resources to facilitate starting up a business. Above all, because of their exposure, they have a higher risk-taking propensity and are often more willing to engage in business activities in high-risk or emerging markets.

Ability to effect a change. The owner–manager of Company 6, a textile business, explained that the advantages he has over domestic enterprises include the ability to effect a change:

The majority of SMEs in my home country are run by locals and as expected they are strongly rooted in the way they believe things are done. As a diaspora entrepreneur, I find it easier to effect or propose changes when required than domestic SMEs. Moreover, it is easier from my experience to introduce changes to the local workforce than entrepreneurs without foreign exposure; locals tend to resist the idea of learning something different. (Second Interview, 19 July 2016)

The business international outlook. Other respondents (such as Companies 1, 3, 4, 7 and 10) enlisted increase in the scope of international operation, expansion of the business’s international outlook and the ability to understand and interpret business environment more easily as their uniqueness over domestic businesses. The expansion of the business outlook increased the firm’s general experience base which transformed into experiential knowledge, allowing the owner to understand and interpret the business environment.

Knowledge and awareness of funding sources. Commenting on the uniqueness of his business over domestic enterprises, the owner of Company 5 remarked on how his exposure has brought to the table the awareness and knowledge of various sources of funding available to small businesses:

Exposure to different ways of raising funds quickly (bank over draft, bank loan, equity from mortgage, credit card) is an advantage compared to domestic SMEs. Finance is difficult to access and when available it is quite complex and expensive in my home country. (Second Interview, 18 July 2016).

Dealing with investors, fragile economy and political instability. The owner of Company 7, a catering business, commented on the ease with which she involves investors and also has access to raw materials and suppliers better than domestic businesses. She stressed the lack of trust prevalent in domestic businesses due to the perception of corruption in home countries. By the same token, the owner of Company 8 mentioned foreign exchange, currency fluctuation, fragile economy and political instability as factors which act as a disadvantage to domestic businesses, whilst they give him an edge over those enterprises. On the same issue, the owner of Company 10 indicated:

I am able to think outside the box without pressure from family, culture or politics. Besides, I have strong desire for economic development in my homeland. (Second Interview, 20 July 2016)

This means that the advantage diaspora entrepreneurs have over domestic enterprises is their freedom to think and act without the shackles of family, culture or political backlash. The above response was representative of other companies in the study. The desire to see their homeland develop to the level they have seen in the UK is a great uniqueness of diaspora entrepreneurs over their domestic counterparts (Newland and Tanaka, 2010).
Discussion

The aim of this study was to investigate how diaspora entrepreneurs mobilise diverse entrepreneurial resources to foster internationalisation approaches in emerging economies and the advantage they have over domestic enterprises in the development of business enterprises. The study shows that they were learning through their experiences and those of their social or business networks. These learning opportunities were leveraged to enhance their international entry approaches. Hilmersson (2014a) argues that firms with a broad scope of international networks will be better equipped to diagnose market development and recognise warning signals in countries where symptoms of the recession are revealed at an early stage. This approach is conceptualised in this study as an experiential learning approach.

The study also demonstrated how bricolage and resource-based theories have been used by the firms to innovate in the face of constraints (Linna, 2013; Gurca and Ravishankar, 2015). The data presented in the previous section reveal that what the owner–managers were doing was finding solutions to problems, using an approach that can be characterised as “making do” based mainly on experience and information gathered in an informal way.

The case study firms understood internationalisation in terms of interactions and networks in foreign markets which led to increased knowledge and trust between various market actors and such relationships were of mutual benefit to the participants. The role of trust and reliability was identified in the study as a major area of social capital within the business and social network process, promoting productivity and facilitating the development of knowledge and innovation (Hakanen et al., 2016). With the presence of trust, the partners were willing to take a risk and transfer available strategic resources (DeWever et al., 2005).

Typically, the various players within the business networks included customers, suppliers, competitors, consultants and supports agencies; while those in the social networks included family, friends and acquaintances. The case study firms relied on their networks to learn about new markets and how to overcome institutional and cultural barriers to conduct business there which was a way of overcoming their financial and human resource constraints. They used the network approach as a springboard to fulfil their resource void and deficiencies in technologies and management skills (Zhang et al., 2014). The network was initially the most critical source of information and the more dynamic the networks, the more they developed new capabilities and assets (Dana and Morris, 2007). In this context, the bricolage and experiential learning theories offer explanation.

The views expressed by the owners of Companies 1 and 3 suggest that their entry into their chosen markets was easy. A general explanation could be that for both firms there was no market entry barrier to overcome. Therefore, the need to acquire market knowledge was not necessary. Networks also enhanced the speed of market entry (Hilmersson, 2014a; Ekanem and Uwajeh, 2017). Fadahunsi et al. (2000) argue that although contacts within the networks may not necessarily be continuous for business purposes, such networks are often viewed as vital element in the development of ethnic businesses in that their closed nature offers members access to the networks in ways that are otherwise denied to non-members of that group.

In examining the internationalisation mechanisms of these firms, it could be noticed that market entry barriers did not represent a real issue per se. The prior international experience of Company 1’s owner was an enabler for international new venturing because it contained the specific experience of the owner–manager in the Nigerian market, thus, complying with Kolb’s 1984 stages of learning. Another way of explaining it is that unemployment sparked a search for opportunities, the entrepreneur uses their previous experiences and networks to recognise the opportunity and build both tangible and intangible resource bases. This in turn allows them to begin their market entry, which took the form of INVs and then they subsequently entered into Nigeria within one year demonstrating that they are BG.
This is consistent with Baum et al. (2013) who posit that prior international experience is positively related to international new venturing as managers who have lived abroad are more likely to sell internationally. Also prior international experience has been found to enhance awareness of opportunities as well as the pace and degree of internationalisation (Baum et al., 2013). However, in the case of Companies 3, 9 and 10, having a trusted contact, colleague or venture capitalist (as in the case of Company 10) enhanced the learning process. In Company 4’s case, it appears that due to the nature of the business as a supplier of fruits and vegetables, their market was determined by their potential customers (Johanson and Vahlne, 2003). This is also a network approach with different experiential knowledge profiles (Hilmersson, 2014b).

In view of the findings in this study, the most commonly used mechanism was the network approach (both personal and business) which was also the most effective. This is because the networks did not only facilitate the learning experience, they also helped in overcoming financial and human resources constraints. They also facilitated start-up and short-term growth and the more learning achieved by the entrepreneurs, the more confident they acquired (Dana and Morris, 2007).

The uniqueness of diaspora entrepreneurship over domestic SMEs were identified as foreign exposure to vibrant business environment, technology and know-how in the host country which influenced their entrepreneurial behaviour in exploiting business opportunities. These advantages are consistent with the findings in Woodruff (2018), Business Sweden (2016) and Henard et al. (2012), respectively. Consequently, diaspora entrepreneurs were able to bring about change or influence change in their country of origin (Riddle and Brinkerhoff, 2011). They also appeared to be in a better position to access finance and easily liaise with investors and suppliers which are crucial in the development of successful enterprises. Although consistent with the literature, it is important to note that these findings are perceived advantages reported by the diaspora entrepreneurs themselves rather than measurable advantages. In the context of Nigeria, diaspora businesses could be seen as complementary to domestic businesses rather than substitutes/alternatives; contributing to the economy by way of transferring remittances and goods between the COR and the COO and establishing businesses in the COO.

Conclusions

The evidence in this research reveals that diaspora entrepreneurs adopt mostly the network approach and, in some cases, the INV approach (or a combination of the two) for their international activities rather than the stage by stage approach as suggested in the literature (Coviello and Munro, 1995; Chetty and Campbell–Hunt, 2004). Thus, the network and INV approaches enhance the speed with which these businesses enter their foreign markets and are, thus, uniquely positioned in these emerging economies. This, in turn, enables them as born-globals and rapidly internationalising firms to be alert and flexible and better equipped to deal with sales fluctuations and changes in the developing environment (Hilmersson, 2014a; Ekanem and Uwajeh, 2017).

Entry into a market did not only result from the business owners having explicit knowledge of the markets that they are in. Instead, market entry was also achieved through alternative means such as having a trusted partner. It is this trusted ally who possesses the necessary knowledge. Further, the nature of the business’s product or service can determine what markets it will enter due to the demand of customers within those markets (Madsen et al., 2000; Ekanem and Uwajeh, 2017). In essence, these alternative methods to overcoming market entry barriers remove the responsibility from the business owner. What this means is that the entrepreneur does not have to personally acquire or seek the required knowledge about a particular market before proceeding into it. Thus, it conforms to the network theory and the experiential learning theory to inform social capital.
The findings in this study suggest that the case study firms adopted a learning process in their internationalisation approaches. The findings suggest that their knowledge of the international market is acquired through a learning process and their actions and decisions are based on what they have learned through their experiences and the experiences of others such as personal and business networks which include customers, funders, business associates, competitors, family and friends. The findings confirm both bricolage and resource-based theories and also suggest that conceptualising internationalisation approaches of diaspora entrepreneurs within the context of experiential learning holds promise as an explanatory framework.

The study makes some important contributions to knowledge: First, the “learning process” approach taken in this study makes a useful and novel contribution with regard to diaspora entrepreneurship. This contribution is significant as it advances the argument in the mainstream literature on international entrepreneurship regarding how knowledge gained from organisation’s networks and the learning experience influence the internationalisation approaches (Coviello and Munro, 1995; Johanson and Vahlne, 2003; Liu and Almor, 2016).

Second, it contributes to knowledge regarding sustainable and successful internationalisation process of diaspora entrepreneurs in emerging economies by providing examples of entrepreneurs who engage in business activities between two countries and the process through which these ventures are carried out (Ekanem and Uwajeh, 2017). Thus, it contributes with formal analysis to the rather dominant asymmetrical views that flow between developed and developing counties as diaspora entrepreneurship in emerging economies represents an increasingly active force in internationalisation (Zhang et al., 2014; Newland and Tanaka, 2010).

Third, the paper contributes to the understanding of the unique international behaviours exhibited by diaspora entrepreneurs that can help to extend extant international business theory. Understanding the internationalisation approaches and mechanisms of diaspora entrepreneurs illuminates novel aspects for international entrepreneurship. Thus, it contributes to the advancement of international entrepreneurship research on migrant and diaspora entrepreneurs and their entrepreneurial internationalisation and on the respective opportunity risk management, directions, motivations, location choices, processes, participants and critical events.

Fourth, the research contributes to the argument that diaspora entrepreneurs may play a significant complementary role to domestic firms in terms of the development or upgrade of numerous enterprises and enhancement of competitiveness (Lin, 2010). It demonstrates that diaspora entrepreneurship can generate opportunities for diasporans and the societies in which they operate in terms of ideas, resources, employment opportunities, stimulating innovation and creating financial and social capital across borders.

Fifth, since the trend towards small business’ internationalisation can only intensify and diminishing proportion of small businesses can be expected to be insulated from its pressures, the study challenges the conventional assumption that internationalisation is risky for small businesses (Figueira-de-Lemos et al., 2011; Ekanem and Uwajeh, 2017). This study suggests that in an emerging economy, it might be even more risky not to internationalise. Hilmersson (2014a) argues that firms that do not internationalise may lose competitiveness over-dependence on a single market might increase income stream uncertainty.

Although the growing body of the literature has explored the antecedents that lead to emerging market SME internationalisation, how diaspora entrepreneurs can overcome the challenges and capture the benefits presented by growth opportunities in international markets has been neglected in the small business literature (Zhang et al., 2014). This paper contributes to addressing this gap in the diaspora entrepreneurship literature. The findings and analysis and the quotations in this paper point towards how the networks addressed
many of the intangibles with respect to gathering information/conducting business in a unique environment.

Finally, the methodology used makes an important contribution due to its uniqueness in terms of the combination of the different threads such as in-depth, semi-structured interviews and the longitudinal nature. The longitudinal element provided greater insight into the experiential learning behaviour of the participants by allowing different shades of meaning to be captured (Ekanem, 2007). The longitudinal element also enabled trust to develop between the researcher and the participants, thus allowing the investigation to be deepened as well as allowing the learning process to be investigated as it was taking place or as it has recently taken place.

The implications of the research
The findings have implications for policy makers and practitioners who are involved in management development and training. Instead of focusing on formalised training courses, training activities should be geared towards practical problems, which are tailor made and specific to participating businesses. There is evidence in the study that successful diaspora entrepreneurs utilised networks to obtain key information that underpins learning to facilitate their internationalisation mechanisms. There is evidence also that the use of networks also facilitate the development of trust and rapport, facilitating the development of knowledge and innovation (Hakanen et al., 2016) and transfer of available resources (DeWever et al., 2005). Therefore, business support policy and mentoring should be directed towards creating awareness and understanding of the benefits of networks and eliminating perceived or real barriers to network inclusion.

Another implication for policy is that relevant policies such as investment, tax breaks, lowering import barriers and providing information about business regulations and laws should be put in place to aid market entry of diaspora entrepreneurs in emerging economies. Moreover, diaspora entrepreneurs would prefer their homeland to have good governance with relatively little corruption, well-functioning institutional environment and adequate access to financial capital (Newland and Tanaka, 2010).

Limitations
The study has several limitations which suggest the implications for further research. The major limitation of the study is the extent to which the study can be generalised to wider population of small firms since it was based on only ten case studies drawn from different sectors, which were not randomly selected. It will be interesting to see if the results of the research hold true amongst other diaspora entrepreneurs from other emerging economies. Therefore, further studies on larger diaspora businesses and a larger sample size and preferably a more specified sector is necessary.

The findings about the uniqueness/advantages over domestic SMEs are based only on the perception of the diaspora entrepreneurs. Therefore, further research is necessary where these claims can be critically examined and tested. Finally, while the longitudinal element of the study enables trust, it can also create bias through familiarity between the respondent and the investigator that may lead to desirable answers.

Note
1. There is no universally accepted definition of SMEs; definitions/classifications vary by country. In Nigeria, for example, the National Council of Industry, 2003 categorised enterprises based on three criteria - Micro: 1-10 employees; Small: 11-35 employees; Medium: 36-100 employees; Large: 101 employees and above (Etuk et al., 2014). Therefore, for the purposes of this study, an SME is one with less than 100 employees.
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Objective institutionalized barriers and subjective performance factors of new migrant entrepreneurs

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Abstract

Purpose – The purpose of this paper is to explain how the “objective” institutionalized barriers (of which social, human and financial capital are decisive factors) and the subjective performance of new migrant entrepreneurs jointly affect their business attitudes and observed behavior.

Design/methodology/approach – The paper’s analysis of individualized performance factors (dependent on how “objective” institutionalized barriers are subjectively construed) – in line with the theory of planned behavior – enables a response to recent calls to embrace complexity and pluralism in entrepreneurship through applying social constructivist lenses. Semi-structured interviews were conducted with 32 Eritrean entrepreneurs, and the empirical data were subjected to grounded theory analytical procedures and interpretative phenomenological analysis theoretical coding.

Findings – Six core beliefs mitigated entrepreneurial attitudes independently from the objectivized institutionalized barriers: know-how needs to be acquired formally; available sources of financing are internal, and scarce; market expertise is in the books, rather than in the market; blending in the host country’s culture is uncalled for, and the resulting difficulty of operating in the “foreign” market is a price worth paying; risk is to be avoided at all cost; and strong intra-communal bonds need not entail support for their business activity, rendering external contacts hardly necessary or trustworthy.

Originality/value – The paper concludes with recommendations potentially informing policies and targeted interventions by highlighting that any policy intervention or an attempt at structural change of conditions in which new migrant entrepreneurship unfolds should consider entrepreneurs as “performing” individuals, as well as representatives of wider cultural, economic and social dynamics relating to these “objective” institutionalized barriers.

Keywords Social capital, Immigrants, Financing, Human capital

Paper type Research paper

Introduction

Extant research rarely surveys the entrepreneurial activities of new migrants in the UK, instead focusing on established diasporic groups such as South Asians with several generations (Jones et al., 2012; Sepulveda et al., 2011). Exceptions include, inter alia, studies of new migrant entrepreneurs from Poland (e.g. Lassalle and Scott, 2018; Ryan et al., 2009; Vershinina et al., 2011), and refugees (such as Sepulveda et al., 2011). New migrant entrepreneurs are defined as more recent migrants (within the last 25 years) who have succeeded earlier migrants from South and South-East Asia, the West Indies and elsewhere (Jones et al., 2012, 2014, 2015; Lassalle and Scott, 2018; Ram et al., 2013; Sepulveda et al., 2011). New migrants are marginalized, often experiencing high rates of unemployment, poor living conditions and discrimination (Sepulveda et al., 2011), and multidimensional constraints (Vertovec, 2007), and have been largely neglected in the literature (Freggetto, 2004; Light, 1972). In line with Sirkeci’s (2003) call to promulgate better understanding of
socio-economic differentials relating to migration flows, the contingencies that contribute to new migrants’ entrepreneurial activity and outcomes are explained (Fairlie and Robb, 2007). The authors are specifically interested in instances in which the outcomes of attempts at being entrepreneurial do not produce results, which – measured by the typical standards – could “normally” be considered successful.

The empirical material exhibits the much-troubled endeavors of new migrant entrepreneurs and, therefore, provides fitting background for discussion in this respect. This angle, paradoxically, enables a more clear discussion of the “success” factors involved. Inspired by the theory of planned behavior (TPB) (Ajzen, 1991), the paper seeks to broaden the traditional scope of inquiry by including the psychological constructs to explain an individual’s progress across different levels of entrepreneurial engagement (Kautonen et al., 2013; Kautonen et al., 2015). Complementarily to the TPB, however, institutional and economic factors are also included in the analysis to provide a more accurate description. In other words, the existence of institutional and economic barriers to entrepreneurial activity are acknowledged, but – in line with the TPB – whether they provide sufficient rationale for observed behavior is questioned. The paper seeks, therefore, explanations from the individualized performance factors.

Thus, the constructivist research framework spanning across the levels of individual attitudes and wider categories of types of economic agents is embraced, as discussed below. To this end, new migrants’ entrepreneurial “performance” is defined in a constructivist fashion: as their subjective construal of the world around them, based on convictions, preconceptions and beliefs, jointly dictating actions which are possible to undertake from this situated (socially constructed) standpoint. Since the empirical case merges complex – often contradictory – individual psychological features with pressures exerted by external barriers and actors, it is possible to better understand and explain this multilevel dynamic. Indeed, the specific situation of new migrant entrepreneurs (i.e. severe uprootedness from their home country, local communities, and in most cases from their families, which they attempt to alleviate by re-constructing their livelihoods, personal worlds and economic networks in the new country of residence) lends itself to constructivist notions particularly well. The situation – often difficult and disturbing for the research subjects – offers an excellent vignette into the ongoing, dynamic process of constructing their entrepreneurial identities using material, social and conceptual resources that are typically scarce. Thus, the entrepreneur’s individual narratives – rather than being taken at face value – reveal the raw process of entrepreneurship-in-the-making involving the confluence of embedded convictions, cultural prohibitions, elements of Western “entrepreneurship know-how,” the approach to institutionalized power, and the specific construal of entrepreneurial “success.”

In total, 32 Eritrean new migrant entrepreneurs were interviewed in different locations in the UK in an in-depth, semi-structured manner. Focusing on this specific national group enables a better understanding of both institutional and psychological levels of entrepreneurship-in-the-making in line with the research framework (as explained in more detail in the methodology section). The empirical findings indicated that, while new migrants face objective boundaries – in accordance with extant research – those boundaries do not sufficiently explain the whole array of their motivations and disinclinations toward entrepreneurial activity. The paper, therefore, identifies six core beliefs which mitigate their entrepreneurial activities (and their outcomes) for the potential benefit of future theoretical and applied contributions that aim to increase the prospects of successful entrepreneurial activity among new migrant entrepreneurs.

As well as its insufficient recognition in the broader entrepreneurship literature, extant research is guilty of “shepherding […] complex social relations into narrow empirical categories” (Ram et al., 2017, p. 12). This research gap is addressed by including the social
constructivist perspective in the paper’s exploration of the dynamics of entrepreneurial activity undertaken by UK-based new migrants from Eritrea. Entrepreneurship, as a “dynamic process” (Kuratko, 2016, p. 5), can hardly be captured aptly by overemphasizing the role of, e.g., the availability of rare resources or structural market conditions, which (in the short term) remain immutable. While considering the latter, the paper explores their individual construal – and its processual application – to render the promise of increased understanding of entrepreneurial activity at least partially fulfilled. Indeed, Berger and Luckmann (1966) argue that an inquiry into how social reality is constructed is necessary to understand it. The paper similarly echoes, in their terms, how the objective “world of things” – such as family and religious institutions, commercial enterprises and economic systems – is underpinned by ongoing subjective and intersubjective processes of production involving individuals and interactions between them (Berger and Luckmann, 1966), two aspects of which are typification and habitualization. Typification involves applying a simplified description emphasizing the recurrent features, while habitualization concerns developing routinized responses to situations construed as “similar,” and these aspects explain how human beings normally deal with the diversity and complexity of the world around them. The emerging habits, routines, and categorizations are spread between actors and, as they do so, institutions (i.e., fixed patterns of thought and action) emerge as well (Alvesson and Skoldberg, 2000). The resulting “objective” institutional world is thus an ongoing human production” (Berger and Luckmann, 1966, p. 69), and its sway over the actual performed behavior complements the influence of attitudes, subjective norms and perceived behavioral control pronounced by TPB (cf. Ajzen, 1991). Recent calls have suggested rendering this complexity and pluralism in entrepreneurship research through embracing social constructivism (e.g. Hosking and Hjorth, 2004; Lindgren and Packendorff, 2009), which have to date not been specifically applied to the context (Welter, 2011; Zahra, 2007) of new migrant entrepreneurs. These calls signify, among others, a stronger emphasis of entrepreneurship research on group processes rather than individual storylines (Drakopoulou Dodd and Anderson, 2007), as well as a keener application of qualitative methods in this area (Downing, 2005). The paper, therefore, responds to these calls by inquiring qualitatively into the processes through which new migrant entrepreneurs collectively construct their bounded, subjective, sometimes emotion-laden realities and vocabularies, while remaining sensitive to the broader social and institutional environment in which those processes unfold. The paper’s contribution, hence, lies in addressing both levels of meaning making (societal and individual) that are equally viable in providing (partial) explanations for the actions and attitudes of new migrant entrepreneurs (the term “explaining” is understood interpretivistically: in terms of attempting to understand and describe better the individual worlds of social actors). This approach enables the complexity of new migrant entrepreneurship – often influenced by multidirectional and even contradictory psychological and cultural forces, as is shown in the paper – to be rendered in the analysis process. The risk of providing a reductionist account of an inherently multi-layered situation is, thus, eschewed. In doing so, encouragement is drawn from existing constructivist research in entrepreneurship, but also providing original methodological and analytic lenses for the benefit of future studies.

The structure of this paper is as follows. Extant literature on new migrant entrepreneurs is reviewed, followed by a description and justification of the methodology and the importance of generalizing from the specific case to the broader literature. Subsequently, the findings are analyzed, and then an integrated discussion and conclusion includes policy recommendations.

**New migrant entrepreneurs: barriers and performance factors**

Following their initial arrival in the UK from the late 1960s onwards, subsequent waves of Eritrean migrants have largely comprised family reunions, asylum seekers and refugees
They were first driven by unfavorable home country economic conditions (Hepner, 2009; Kibreab, 2008). These new migrants exhibit distinctive characteristics, as well as common ones (Jones et al., 2015) including a specific migration experience (Sepulveda et al., 2011), and are constrained along various dimensions in the context of superdiversity (Jones et al., 2015; Vertovec, 2007). Thus, motivated by the observation that their entrepreneurial activities have been to date neglected (e.g. Fregotto, 2004; Light, 1972), the paper seeks to develop a broader understanding of these activities as a component of increasingly diversified flows of immigration (Ram and Jones, 2008). Exploring new migrant entrepreneurial activity can enhance understanding of how their specific socio-cultural dynamics feed into their entrepreneurial decisions and performance.

In common with the earlier waves of migrants and subsequent UK-born generations of people from certain migrant backgrounds, these new migrants are highly marginalized, often experiencing high rates of unemployment, poor living conditions and discrimination (Sepulveda et al., 2011), as well as racism (Ishaq et al., 2010), and are often necessity entrepreneurs due to labor market disadvantage, e.g. institutionalized discrimination (Rath, 2010). Very few extant studies address business formation and entrepreneurship amongst new migrants (Sepulveda et al., 2011). Yet, while the general literature on migrant entrepreneurship might be relevant, the specific features that differentiate new migrants from other more established diasporic groups place limits on theoretical adaptation (Jones et al., 2014; Sepulveda et al., 2011). Jones et al. (2015, p. 17) observe that new migrants exhibit “subsistence entrepreneurship, skewed sectoral distribution, under-capitalization and negligible profits,” noting that they are “thwarted by the political-economic structure […] but as agents […] display a quite remarkable entrepreneurial ethos, creating a wealth of valuable […] business activity from the most slender resources.” To illustrate this point, new migrants are presented with cultural, legal and language barriers or challenges from the outset (Vertovec, 2007). Moreover, Sepulveda et al. (2011) note that the migration experience of new migrants is quite different from the more established communities residing in the UK. Indeed, in common with other entrepreneurs from migrant backgrounds, new migrant entrepreneurs face the following bundle of five major challenges and constraints.

First, people from migrant backgrounds face significant discrimination in the UK labor market (Ram et al., 2017). Waged-employed (new) migrants are often underemployed, or are in low-skilled and low-paid work that does not reflect their education, talents or experience (e.g. Mason, 2000; Vershinina et al., 2011), all contributing to long-term difficulties for (new) migrants. Indeed, Jones et al. (2012) report that people unsuccessful in gaining employment typically experience substantial downward mobility. Even when qualifications are accounted for, migrants are more likely to be without a job, or to be in lower hierarchical levels or in lower status employment than white people (Jones, 1993). Consequently, discrimination on the part of employers appears to influence their labor market disadvantage (Modood et al., 1997), hence, pushing them into entrepreneurship (Ram, 1992).

Second, these high rates of joblessness and low status jobs can be attributed to perceived deficiencies in the English language, other skills or qualifications, in comparison to their white counterparts (Jewson et al., 1990). Indeed, Brown (1984) suggests that (new) migrants with less aptitude in speaking and/or comprehending English face more difficulties in the labor market.

Third, specific groups of immigrant origin (especially African-Caribbeans) who own businesses face constraints in accessing external finance, especially from high-street retail banks (Deakins et al., 2007; Ram and Deakins, 1995). Additional barriers include lacking access to the following: “ethnic resources” (Waldinger, 1990), social capital (Deakins et al., 2007) generated within well-established communities and/or understanding of the institutional context when they are from different cultures (Vertovec, 2007).
Fourth, and following the above point, cultural conflicts occur due to the different values and norms of people from diverse cultures (Kanter and Corn, 1994) such that a person behaves in accordance with those of his or her culture, whereas someone from a different predetermined cultural background might interpret his/her actions from an opposite perspective, leading to misinterpretation and possibly clashes. Given migrants’ cultural diversity, acculturation could be desirable in their new place of abode (Berry, 1997). Prior literature conceptualizes different migrant-origin community groups as culture-bearing units due to their diverse cultures (e.g. Barth, 1969a, b) and acculturation is seen to impact behavior.

Fifth, networking and social capital are critical emergent conduits of knowledge for entrepreneurs (Audretsch and Keilbach, 2004; Urban, 2011) with the extent of networking engaged in influencing success or failure (e.g. Ekanem and Wyer, 2007; Ram and Deakins, 1995). Specifically, networking generates diverse relevant knowledge about new products, marketing strategies, and the potential for new suppliers, gaining general industry and market information and, indeed, further networking opportunities (Ekanem and Wyer, 2007). Entrepreneurs from migrant backgrounds that maintain close kinship and peer networks enjoy social capital benefits in terms of workforce, local clientele, information, and financial and other resources founded on reciprocal trust among network members (Werbner, 1990).

Therefore, the research material is analyzed taking into consideration the entrepreneur’s connection with the wider social world riddled with constraints and challenges described above – cultural as much as political and economic in nature (see also Ram et al., 2017). Yet, since this study is interpretivist, the importance of the individual construal of those barriers and challenges is recognized. Therefore, the paper adds to a body of authors who have approached the subject area from a social constructivist perspective (Calás et al., 2009; Hjorth et al., 2008; Ogbor, 2000; Welter et al., 2016), including those who address the issue of sense-making in entrepreneurship (e.g. Gartner, 2016). Hence, the paper presents individual approaches to entrepreneurial activity against the entrepreneurs’ specific social and historical background, as well as canvassing their convictions, strivings and attitudes with regard to the wider theoretical plane of existing research in migrant entrepreneurship.

While exploring the more subjective aspects of activity may not be the most popular angle of entrepreneurial inquiry, embodied experiences, personal affects and emotion have been present in one form or another on the agenda of entrepreneurship studies as early as the classic writings of Schumpeter (1951). Important positive affects such as joy (Smilor, 1997), love (Cardon et al., 2005) and pride (Bierly et al., 2000) moderate or impact directly the entrepreneurial process (Baron, 2008). Since the encompassing reviews of the role of subjectivity in entrepreneurship have already been provided (e.g. Cardon et al., 2009), it is argued that it is only natural to embed in this study several subjective psychological factors, such as risk-aversion or reticence.

**Research methods**

This interpretivist study, which was conducted from the social constructivist angle (Berger and Luckmann, 1966), enabled access to a complex and multifaceted social phenomenon. All meaningful reality is contingent upon human practices, and is constructed in and out of interaction between human beings and their world and developed within an essentially social context (Crotty, 1998, p. 42). Hence, the paper’s qualitative approach enabled understanding of participants ideographically and exploring the meanings which they attach to ideas within their social reality (Bryman, 1988). Interpretive Phenomenological Analysis (IPA) was employed (Andrade, 2009; Biggerstaff and Thompson, 2008; Charmaz, 2006).

The rigorous three-stage process enabled theoretical saturation (Corbin and Strauss, 2008) by identifying the following participants: 8 through purposive sampling; 14 using
snowballing; and 10 from wider geographical locations based on grounded theory precedence (Glaser, 2001), and to moderate the influence of geographically localized factors (Table I). Indeed, Andrade (2009) achieved theoretical saturation after 38 interviews.

Semi-structured, in-depth interviews were conducted with a sample of 32 Eritrean new migrant entrepreneurs that typically lasted 60–90 min. An interview guide served as a reference point and as a final check before closing the interview. The interviews focused on the participants’ experiences, thoughts, attitudes and feelings with regard to establishing their own businesses using essentially open questions (Charmaz, 2006). The interviews were recorded and transcribed verbatim, including indications of pauses, mis-hearings, apparent mistakes and even speech dynamics (Biggerstaff and Thompson, 2008).

Across all three stages, theoretical coding was undertaken where the higher level concepts were firmly established through lower level concepts, themselves based on data (Corbin and Strauss, 2008), and involving constant comparison by comparing the codes that emerged from each stage to identify recurring and/or new emerging evidence to generate more abstract concepts and theories. Additionally, open coding was utilized.

<table>
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<tr>
<th>Participant</th>
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<th>Resp. Educ.</th>
<th>Entrep. Activity</th>
<th>Yrs. of Existence</th>
<th>Yrs. resident in UK at time of interview</th>
<th>Ent. Exp. back home</th>
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**Notes:** Merchand. = Merchandizing; No ed. = No basic Education; Elem. Ed. = Elementary Education; 1 to 8 indicate participants for the first phase of respondents; 9* to 22* indicate participants for the second phase interviews, while 23** to 32** represent participants for the third phase of interviews.

Table I. Demographics of respondents that participated in interviews.
(early on: to identify and develop categories and sub-categories in terms of their properties and dimensions), axial coding (to reassemble data coherently after being fractured) and selective coding (Corbin and Strauss, 2008; Rodon and Pastor, 2007; Strauss, 1987). Further steps included keeping a memo to record actions taken, and the nature and origin of any emergent interpretations, and either grouping the codes, giving them descriptive names or discarding them. Categories were created to capture theoretical codes and to specify possible relationships between them, and they were clustered into super-ordinate themes and finally a master table summarizing all the codes and categories created thus far. The paper’s framework included a set of broad categories (selective codes) and associated concepts that describe the salient events, experiences and associated consequences (Charmaz, 2006). Once saturation was achieved, the relevant literatures were scrutinized for relevant models, frameworks or theories. Therefore, the paper’s two-level exploration was methodologically viable as the individual worlds of experience were reconstructed (Koster, 2007), pointing toward institutionalized phenomena affecting those worlds and further explored through existing literature. While generalization in interpretivist studies is often contested (Williams, 2002), grounded theory enables generalization by studying similar cases (Bryant and Charmaz, 2010). The findings are relevant to this study’s immediate context (Welter, 2011; Zahra, 2007) and also more widely, e.g. to other organizational contexts with similar dynamics, e.g. passivity, apathy and risk-aversion.

The rationale behind the paper’s open engagement with the constructivist approach is threefold. First, on the basic operational textual level, recognized as problematic in prior entrepreneurship literature (Lindgren and Packendorff, 2009), the study’s primary theoretical assumptions are made explicit. Second, the constructivist perspective is well aligned with achieving a deep understanding of entrepreneurial activity which involves physical, social, cultural, political and other “objects” that constitute a manifold mixture from which individual entrepreneurial strivings, efforts and pitfalls emerge. In opposition to structural-determinist views, entrepreneurship is reconceptualized as representing wider social, cultural or political frameworks (in line with mixed embeddedness; Kloosterman and Rath, 2001) by explicitly focusing the analysis on rendering this diversity – this element enables the TPB’s subjectivist focus on attitudes and perceived norms/controls to be supplemented with the much needed social dimension. Finally, as argued in the introduction, new migrant entrepreneurs’ specific situation – including re-construction of their livelihoods, and particularly how they construct their entrepreneurial identities – is entirely appropriate for constructivist research. While ample empirical material is possessed to present in each aspect of the analysis conducted below, due to a lack of space only the few most suitable interview excerpts were quoted.

It is imperative to see both parts of the Analysis section as inter-related: it is in line with the social constructivist view to scrutinize how the objective “world of things” emerges from subjective factors. This is how it is proposed to read this section – “institutionalized barriers” are not independent of intersubjective processes through which they emerged; on the other hand, the subjective “performance” of the interviewed entrepreneurs is conducted against the institutional landscape which provides them with “objective” context.

Analysis: “objective” institutionalized barriers
According to the methodological literature, one way of gauging the originality of a grounded theory-based study is by assessing “how the grounded theory challenges, extends or refines current ideas, concepts, and practices” (Charmaz, 2006, p. 183). In presenting the findings, therefore, a comprehensive discussion is provided identifying similarities to (and contrasts with) the body of knowledge, thus, addressing: cultural background, financial, human and social capitals and government immigration policies.
First, participants indicated that their cultural background played a major role in their mindset and decision making in entrepreneurial start-up in two ways. First, while new migrants may have lacked the confidence to engage in entrepreneurial activities, it was not uncommon due to their cultural upbringing. Second, Eritreans, as Africans of other origins, were raised in a culture that promotes a strong family bond. Therefore, as the comment below – representative across the research material – suggests, they showed a strong bond to other family members, and even the extended family members back in Eritrea:

I have a big commitment to my family members back home in Eritrea and Africa [...] So it is [...] understandable that I was very cautious about starting my own business. Nobody could guarantee me that the business will be a success [and the potential business failure would also imply failing those who stayed behind]. I do not take risks [...]. (Interviewee 3, Merchandise)

Whilst providing a resource, the constrictive nature of this bond is also evident and implied by the context in which the word “commitment” is used, as well as by an overtly stated linkage with risk-aversion.

Second, scholars have stressed the importance of financial, human and social capital in decision making in the start-up of immigrant-owned businesses (e.g. Ram et al., 2013). Hence, the prospective new migrant entrepreneurs sourced funding for their start-up from bank loans, government start-up capital, and finance from family and other contacts. Management knowledge and experience (human capital) similarly emerged as important:

Personally, the fact that I had a good knowledge of management in the entrepreneurial setting played a major role in my decision to start up my own business. (Interviewee 22, Services)

Then, in terms of the utilization (or not) of co-ethnic resources and business opportunities (e.g. Fregetto, 2004; Jones et al., 2012), culture influenced the behavioral patterns of Eritreans. Although they may have operated in the same business domains as other immigrants, they did not even network with fellow Eritreans, which delimited their entrepreneurial prowess.

Third, while regulation is a critical determinant of international variations in entrepreneurial activity, particularly from a mixed embeddedness perspective (Jones et al., 2014; Kloosterman and Rath, 2001; Ram et al., 2017), it should increase in favorable regulatory conditions. New migrants have the freedom to engage in entrepreneurial activity in the UK. However, the participants suggested several regulatory constraints exerting negative influences on whether new migrants engaged in entrepreneurial start-ups. They reported that racism and discrimination (Ishaq et al., 2010; Sepulveda et al., 2011) were consistently characteristic features of their negative experience of UK society. Indeed, they described these as core, hidden factors that explained unfriendly and provocative behavior not just from government personnel toward new migrants generally, but also in the wider community, a situation which had deeply rooted interpretations in the victim’s mind:

If I am in a society where I am discriminated against [...] because of my background, it sends a clear message – I am not wanted in that place. (Interviewee 28, Merchandise)

Experiences such as these are likely to demoralize the victims and deter them from behaving in ways that reflect attachment and commitment to the context of that experience. According to the interviewees, these negative experiences intensified their desire to return to Eritrea, where, in the words of one participant, “Eritreans can be who they are and would not be discriminated against, insulted, nor called liars” (Interviewee 16). The further implication was that Eritreans showed a tendency of not wanting to integrate with the native UK people.

In this section, a landscape riddled with objective barriers and obstacles directly affecting the entrepreneurial attitude of the particular group of individuals was canvassed.
Analysis: subjective performance factors

Next the paper focuses on the processes through which participants’ decisions to become entrepreneurs were institutionalized through subjective sensemaking processes: the paper’s interest is not with limits or barriers as such, but processes of limiting, by which barriers were erected, specifically: management know-how and experience; finance; knowledge of the market; foreign culture and language; risk aversion and lack of innovativeness; and contacts and networking.

First, the participants were overall likely to succeed if they felt confident regarding their degree of management knowledge and experience, strongly emphasizing the decisiveness of their formal education (which they believed disadvantaged them compared to most local entrepreneurs). Perhaps this perception was a self-fulfilling prophecy since entrepreneurs that lacked management knowledge and/or experience showed strong failure tendencies. Indeed, those participants strongly tended not to utilize opportunities and expand their business, possibly due to underestimating the potential of learning from their own entrepreneurial attempts and utilizing available resources. Importantly, the self-imposed understanding of their knowledge and skills affects the perceived know-how that Eritreans have. Often they resultanty downplay their capacity to embrace know-how. This constructed individual world is rendered in largely passive, non-agentic terms (i.e. related to the concept of human “agency” whereby people make choices) in which knowledge is seen as a commodity extremely difficult to acquire at an individual (rather than group or community) level:

We Eritreans look down on our own capability and transferable skills that we have amassed which would make us successful entrepreneurs in the UK. I think we lack confidence [...]. (Interviewee 17, Foods)

While this passivity involves entrepreneurial intention, or lack of it, in line with the TPB, this emerging, deeply embedded mental model provided the conditions of possibility for the intention to appear (largely negative in this case).

Second, participants perceived finance as instrumental to their success or failure, respectively. They generally believed that their ability to access funding, mainly through social networks or “self-help strategies” (Ekanem and Wyer, 2007, p. 146), enabled them to seek ways to stabilize their businesses: for example, by undertaking market analysis, improving the range of products/services they offer, exploiting new opportunities in the market, etc. As they indicated constraints to their business growth caused by under-capitalization or limited access to finance in largely non-agentic terms, the perception of agency in terms of access to finance became dominant, such as:

This entrepreneurship journey has been very tough from the start and finance has been the major issue. It was very difficult for me to find the finance to start my business and this problem is also the major factor why my business is failing. (Interviewee 23, Merchandise)

However, the persistence of financial barriers was no less the question of the objective lack of access to resources as it was a behavioral trait and a state of mind. Financial constraints were as much experienced as they were enacted. The participants’ inability to interact effectively with the UK small business support environment (and take advantage of support opportunities) must be seen in the light of their broader disinclination to integrate. They were hesitant to ask for and to accept support from outside sources, being entrenched in their own communities to the point of being almost oblivious of what was happening beyond their community network. Some may have been aware of available support, but thought they were not intended for them:

We don’t know much about the British culture; we don’t know the language properly and we are afraid to ask. Also, we don’t want to involve outsiders lest they find out things we don’t want them to discover. (Interviewee 14, Services)
The lack of means in the financial arena must, therefore, be understood beyond “lack of money,” since it involved a deeper psychological concept and an apparent lack of cognitive reference points enabling them to attempt to acquire funds or seek support.

Third, whether new migrant entrepreneurs in the UK succeeded or failed also explained the extent to which they recognized themselves as knowledgeable market agents and to which they were motivated to seek new knowledge. Those who claimed to have a good knowledge of the market emphasized formal knowledge, associated with schooling or training (similar to management know-how above). For example, a respondent with three years of training (as an apprentice) in his area of business prior to start-up commented:

The fact that I decided to do three years training is helping my business so much [...]. The knowledge and experience gained, I must say, are even of more significance to my business than money. (Interviewee 30, Services)

The findings support existing literature suggesting that migrant entrepreneurs that lack knowledge of their own market and, therefore, which fail to strategize their business operations to fit market developments are likely to fail (Ekanem and Wyer, 2007). Again, however, they largely disregarded tacit and informal elements of market knowledge that are available through the lived experience of entrepreneurship. Both their lack of basic operational wisdom and knowledge of the market must be construed against the backdrop of their lack of confidence and unwillingness to integrate which prevented them from exploiting the market:

I, like most Eritreans, was only looking for the market within my own community. I know there is a huge market out there, but I prefer to work with people I know and who speak my language. (Interviewee 9, Merchandise)

Therefore, the insufficient explicit, tangible understanding of the market emerged as a notion underpinned by a deeper mental model at the level of which a construct of “knowledge” was embedded (and which pre-decided which actions would be undertaken).

Fourth, some participants failed in their business activities because they rejected the culture and language of their newfound home. Most poorly performing interviewees indicated that they did not engage with the UK culture and language:

I don’t want to lose my culture. That is why I keep my eyes firmly fixed on my country and link with people from my country and in my country. (Interviewee 12, Foods)

They are a tightly knit group holding fond memories of Eritrea and ongoing relationships with people “back home,” which greatly limited their prospects of integration into the wider society. Consequently, they idealized the myth of the definite return to the homeland which, along with their reluctance to integrate, could create a feeling of alienation from the host community. While this attitude can be understood as an individual “choice,” it was closer to an across-the-board mental construct (once again, delimiting the realm of potential intentions and associated actions) shared among the Eritrean entrepreneurs. While the cultural foreignness may be considered an objective barrier (as discussed before), it equally is subjectively performed. Being in the UK was construed as a merely transitory stage, and thus any activity developed in the UK was seen as equally impermanent:

[...] I don’t have to learn the language and have deep understanding of the British culture as I am here only for a while. I just want to save some money until it is safe for me to go back home. (Interviewee 7, Foods)

Fifth, while creativity and risk-taking are core prerequisites for successful entrepreneurial behavior, new migrant entrepreneurs’ ventures appeared to fail because of risk aversion and short-termism, often reflected in lack of innovativeness. A plausible explanation, therefore,
was that they inclined heavily to their own cultural values and established ways of approaching life (see above) and that they rarely stepped into the unknown. As Interviewee 10 explained:

Trying new things and bringing fresh ideas into the business can help the business, but not only does that involve money, but also you cannot be sure if it would bring positive results [...] People are waiting for me to feed them back in my country. (Interviewee 10, Foods)

Even though they perceived that taking risks and being proactive and innovative could help revive their businesses, their decision making was influenced more by uncertainty associated with the outcome, hence, their operational approach might have caused their new business venture to fail. Coming from a developing (“factor led”) country where manual labor is highly valued, most Eritreans in the UK engaged in physical work such as in factories. Combined with lacking confidence in innovation and their risk averse attitudes, they preferred businesses that required low capital outlay but high labor intensity, thus rendering their difficulty to innovate as a self-fulfilling prophecy grounded in their sensemaking: in their constructed worlds, there was often no room for wanting to take a speculative action and, therefore, risks were not taken:

[...] I would want to start a car wash business. One doesn’t need a lot of money to start it up but needs to work very long hours. I would be prepared to work up to 18 hours a day. That business would suit any Eritrean perfectly [...] That is why you don’t see many Eritreans in business and prospering. You see, we Eritreans do not want to take risks [...] (Interviewee 15, Foods)

Sixth, although almost all participants heavily utilize their social networks as a central source of social capital (e.g. Jones et al., 2012), as suggested by Fregetto (2004), there appears to be a strong relationship between the possession of social capital and business success. However, for the participants, social capital was strongly associated not only with the objective social reality in which the activity takes place, but also, predominantly, with how individual agencies of entrepreneurs are exercised in their embodied entrepreneurial experience:

If I had good contacts and networks, that could enable me to access finance and business skills and initiatives to help my business grow. (Interviewee 24, Merchandise)

Admittedly, living in a foreign land and facing language barriers, lack of knowledge of institutional and entrepreneurial structures, and facing constrained access to finance or advice from public agencies, new migrants would find it difficult to establish businesses:

[...] we Eritreans do not cooperate with each other as other nationalities do. They work cooperatively with their cousins, nieces, nephews etc. You do not see this type of cooperation among Eritreans [...]. (Interviewee 20, Services)

If you ever start up a business, say for example a restaurant, your target customers should never be Eritreans as they will neither use your service nor cooperate with you. (Interviewee 14, Services)

The tight networks that existed within the Eritrean Diaspora might have been expected to offer benefits of resource leverage and strong levels of support and trust. However, the overwhelming consensus among all the participants of this study was that Eritreans tended never to cooperate with each other in business. The manner of interpreting and enacting networking in this community confined an individual entrepreneur to a solitary struggle against the odds:

Eritreans are willing to die for you [...] they would risk their lives for you, but they don’t risk investing their money in partnership with you, and they do not risk seeing you succeed in business [...] (Interviewee 2, Foods)

Once again, the “objective” social circumstances did not fully explain this reticent attitude to cooperate, as the latter appeared deeply embedded in the mental model preceding action
Discussion and conclusion
Given the scant understanding of the dynamics of new migrants’ entrepreneurial activities (Ram et al., 2017), these issues were addressed to enhance the theoretical foundations of migrant entrepreneurship research. Additionally, given notable omissions in extant empirical research and problematic definitions, Ram et al.’s (2017, pp. 12-13) call for “social constructionist perspectives that emphasize the importance of context and social processes” was addressed. The empirical findings indicated that, while new migrants faced objective boundaries – in line with extant research – those did not sufficiently explain the whole array of their motivations and disinclinations toward entrepreneurial activity. As mentioned previously, it is important to examine both parts of the analysis in conjunction, as each part separately provides a partial picture. It is crucial to note that institutionalized barriers cannot be separated from subjective performance when policy intervention is considered; indeed, their interconnectedness provides a pathway to theoretical insight, as explained below. Admittedly, these new migrant entrepreneurs often depended on financial and knowledge support from family members and contacts in their pre- and post-start up process and political factors in terms of obstacles and discrimination experienced from both regulatory bodies and the wider UK community. The paper contributes to explaining social, human and financial capitals by showing how they operate in the under-researched context of Eritrean migrants in the UK. Therefore, in order of exposition, institutionalized barriers to entrepreneurship were explained through external aspects affecting their ability to undertake particular activity, including cultural background and existing barriers of access to a variety of resources (e.g. finance and know-how). It is, however, imperative to construe their entrepreneurial activity as driven by external considerations as well as subjective behaviors and attitudes. In this vein, performance consists of the embodied and lived experiences of construing their entrepreneurial world in largely formalistic and non-agentic terms. Thus, while entrepreneurial activity was predominantly considered by the actors in a one-dimensional performativist frame, it is analyzed bi-dimensionally in a constructivist spirit, as the interplay between external (material, cultural, educational) and internal (experienced and lived) realities. Remaining sensitive to both – as they converge upon the multi-layered enactment of entrepreneurial activity as a complex social, cultural, no less than psychological, phenomenon – enabled a better understanding of the subjective base of objectively identifiable attitudes and behaviors.

In that respect, the new migrants’ entrepreneurship is underpinned by a set of six core beliefs mitigating their entrepreneurial attitudes independently from the objectivized institutionalized barriers: know-how needs to be acquired formally; available sources of financing are internal, and scarce; market expertise is in the books, rather than in the market; blending in the host country’s culture is uncalled for, and the resulting difficulty of operating in the “foreign” market is a price worth paying; risk is to be avoided at all cost; and strong intra-communal bonds need not entail support for the business activity. Hence, while potentially acting upon the “objective” phenomena of institutionalized barriers may seem to promise direct and prompt reactions from the community in question, it is proposed that any such intervention will always be mediated (and limited) by “subjective” performance phenomena that affect the translation of the external intervention into behavioral change.

Any intervention to mitigate institutionalized barriers – e.g. supplying an additional credit line for migrant entrepreneurs – may be short term, superficial or both because – in line with the TPB – it is crucial to scrutinize how those barriers are performed. For example, the likelihood that information regarding the scheme will not reach a potential beneficiary due to
the “gated” nature of their communities; that, even if it does, it will not be believed due to an embedded suspicion toward the host country officials and government; or that, even if the two previous obstacles are overcome, the take-up of the credit line will be extremely limited because of the psychologically ingrained attitude of risk aversion. Therefore, any policy intervention or an attempt at structural change of conditions in which new migrant entrepreneurship unfolds should consider entrepreneurs as “performing” individuals, as well as representatives of wider cultural, economic and social dynamics relating to these institutionalized barriers. Thus, new migrant entrepreneurial activity emerges as a complex phenomenon rendering entrepreneurship as much a set of activities publicly undertaken by the actors as it is a set of sensemaking dynamics embedded in a mental model, of which the entrepreneurs-in-the-making provide an excellent example. While the current paper is not explicitly implementation-focused, one policy response might be a structured network of psychological support to assist the entrepreneurs to feel more “at home,” thus potentially increasing their likelihood to root themselves in the host country. The existing support and counseling networks rarely target the entrepreneurial aspects of new migrants’ life. Such networks could assume the shape of one-to-one (or small group) counseling, enabling counselors to moderate the psychologically embedded factors, such as mental models of disengagement, while remaining sensitive to migrants’ already existing identity features. Thus, taking a distant stance from the forced assimilation discourses, targeted, specific, host-country led initiatives mixing in entrepreneurial activation with psychologically positive cues (adjusted to a particular migrant group) could be effective. For instance, given the performance aspects discussed in this paper, providing a formal recognition upon completion of the series of counseling sessions (e.g. a diploma) or enabling the support for cultural preservation initiatives associated with participation could be considered promising in this context. In the spirit of the findings, the concrete form of such interventions would naturally need to be highly contextualized to fit the need of a given group – one size does not only not “fit all,” it fits rather few.

On a wider theoretical plane of migrant entrepreneurship, the paper provides support to the call to embrace the complexity and multi-layered-ness of entrepreneurship. Specifically, the paper bridges the TPB’s focus on psychological constructs and institutional and economic explanatory frameworks, by including both societal and individual levels of meaning making. The classic TPB remains silent about institutionalized barriers. We, therefore, go beyond considering the intentionality of behavior – which is characteristic of the TPB – and perceive the behaviors as conditioned by the already established institutional (objectified) order, as much as by individual perceptions. Hence, by embracing the full spectrum of classic social constructivism leading from subjective decision making to objectified social realities, the paper positions the subjective psychological dynamics of interest to TPB within the wider institutionalized (socially objectified) context. In addition to explaining behavioral patterns otherwise difficult to tackle (e.g., because they may be exhibited by populations engaging in sensemaking considered unintuitive or exotic compared to the “Western” perspective), such an approach allows greater sensitivity toward the complex nature of such key concepts as entrepreneurial “success” and “failure.” The line between both may be thinner – or indeed shifted, as demonstrated in this paper – in comparison with distinctions made in most single-dimensional approaches.

Finally, since, as argued above, the methodology enabled the research material to span across the levels of individual attitudes and wider categories of types of economic agents, the validity of the findings extends beyond providing theoretical and empirical reflection regarding the understudied area of new migrant entrepreneurship. This inquiry aims to inform the wider field of entrepreneurship research, such as the scrutiny of entrepreneurial risk taking attitudes (e.g. Antonic, 2003), as well as to potentially inform investigations in other complex and multi-layered areas of organization studies associated with non-agentic behaviors, such as apathy (Hays, 2008) or silence (Morrison and Milliken, 2000).
References


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Entrepreneurial response to changing opportunity structures
Self-selection and incomes among new immigrant entrepreneurs in Sweden

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Abstract
Purpose – The purpose of this paper is to analyse how the introduction of a liberalised regime for labour immigration in Sweden affected the self-selection of new immigrant entrepreneurs and to what extent the changes in entrepreneurial income among new immigrants was due to self-selection or to a changing business environment.
Design/methodology/approach – Based on rich microdata from Swedish administrative registers, this paper investigates how incomes changed during the years before and after the migration policy reform. By decomposing the income differential of new immigrant entrepreneurs arriving before and after the reform, this study estimates the contribution of a changed composition of migrants to the changing entrepreneurial income.
Findings – Entrepreneurial income among self-employed new immigrants improved after the reform, narrowing the immigrant–native income gap, while among employees, the income gap remained during the whole period of the study. Out of the total 10.9 per cent increase in log income, the authors find that 2.7 per cent was due to selectivity, i.e., changing characteristics of new immigrant entrepreneurs. The remaining 8.2 per cent was due to increased returns to characteristics, i.e., the characteristics of new immigrant entrepreneurs were better rewarded in the markets in the latter period. Hence, increases in entrepreneurial income among new immigrants were due both to self-selection and changes in the business environment.
Practical implications – The authors find that the migration policy reform had the effect of attracting successful immigrant entrepreneurs. Hence, the findings have implications for migration policy as well as for growth and employment policy.
Originality/value – This paper reveals a positive trend regarding income from the entrepreneurship of new immigrants after the liberalisation of labour immigration policy in Sweden. Theoretically and methodologically, the authors combine self-selection theory and the mixed-embeddedness perspective in a novel way, using rich data and a quantitative approach.
Keywords Immigrants, Entrepreneurship, Institutions
Paper type Research paper

Introduction
Immigrant entrepreneurship has been seen as increasingly important for social and economic integration, reduction in inequality and poverty, and even for job creation, economic growth and innovation (Fairlie and Lofstrom, 2012). Still, as emphasised in the call for this special issue on Migration, Enterprise and Society, there is a lack of studies dealing with migration and entrepreneurship. Immigrants’ entrepreneurship is often associated with disadvantage and harsh conditions, and several studies confirm this picture. While policymakers often consider immigrant entrepreneurship to be a remedy for labour market integration, studies reveal the existence of a stable income gap over time between native and immigrant entrepreneurs (Andersson and Wadensjö, 2004; Andersson Joona, 2011; Halvarsson et al., 2018).
In 2008, Sweden introduced the most liberal immigration policy of all OECD (2011) countries, allowing individual employers to recruit labour from non-EEA countries and increasing entrepreneurship immigration, i.e. third-country nationals were allowed to immigrate in order to establish their own businesses. In this study, we address the question of immigration policy reform and the self-selection of new immigrant entrepreneurs.

The purpose of this paper is to investigate the development of entrepreneurial income during the period before and after the liberalisation of immigration legislation in Sweden. Is there a widening or a narrowing native–immigrant income gap during the period? Are immigrant entrepreneurs who arrived after the reform was launched more or less successful than those who arrived earlier? How much of the change in incomes can be attributed to the changing self-selection of migrants and how much can be attributed to a changing environment, in terms of institutional structure and market conditions?

To answer these questions, we use rich register-based longitudinal microdata compiled from official registers for the period 2004–2012, comparing the incomes of natives to those of immigrants who immigrated before the reform and those who immigrated after. Using income decomposition techniques, we can also separate the effect of self-selection, i.e., the changed skills composition of migrant entrepreneurs, from effects of a changing business environment, i.e., how skills are rewarded in the markets.

The remainder of the paper is organised as follows. First, we outline the context of institutional change related to migration and entrepreneurship in Sweden during the period under study. Next, we give a brief overview of previous research on migrants' relative incomes and discuss the theoretical implications of institutional reform on the relative incomes of new immigrant entrepreneurs in Sweden. We then present the data used for this study, after which we describe the statistical methods used for the empirical analysis, followed by a presentation of our empirical results. In the concluding section, we summarise and discuss the findings.

Context: institutional change and the business environment in Sweden

Preconditions for migration as well as for entrepreneurship were affected by several changes in the institutional structure in Sweden during the period of analysis. One important change was the immigration policy reform launched in 2008, which allowed a recruitment of labour from outside Europe. A second change was the policy reforms that were introduced in 2007 in order to enhance entrepreneurship and self-employment. In addition, business cycle factors, such as the economic crisis of 2008 and the subsequent recovery of the Swedish economy, influenced the preconditions for migration and entrepreneurship.

First, the new rules for labour immigration introduced in December 2008 implied that the demand for labour from third world countries should be decided by employers and not, as had been the case, by the employment authorities. Hence, temporary work permits were issued on the basis of individual employers’ need to recruit labour. Permanent residence could be granted to those holding work permits for a total of four years during a five-year period. A number of exceptions were introduced regarding the general rule that applications for work permits should be made abroad. For instance, asylum seekers who had been denied refugee status were allowed to apply for a work permit from inside Sweden under certain conditions. The new legislation also specified how guest students could be eligible for work and residence permits. However, it was not only employees who were covered by the new rules; a unique element implying the possibility of issuing residence permits for third-country nationals intending to run a business in Sweden was introduced as part of the legislation. The temporary residence permit can be transformed into a permanent permit after two years of self-employment given that incomes generated from the business are enough to support the individual and any dependent family members. The relatively short
two-year qualification period for self-employed immigrants attracted migrants holding temporary residence permits to self-employment, including those no longer eligible for guest student visas or those who had been denied refugee status (Emilsson, 2014). In addition, the introduction of tuition fees for third-country nationals also increased the incentives for international students to find additional income.

Second, to enhance entrepreneurship, broad political initiatives were launched; for example, the “National Strategy for Regional Competitiveness, Entrepreneurship and Employment 2007–2013”. According to the strategy, the entrepreneurship climate should be improved, entrepreneurship should be more profitable and bureaucracy less complicated; “Sweden shall be one of the best countries in the world in which to start up and run a business, where starting a business is an attractive proposition regardless of age or ethnic background” (Ministry of Enterprise, Energy and Communications, 2007, p. 14). The policy programme promoted the facilitation of entrepreneurship, business start-ups and capital procurement. In the programme, shortcomings in the market regarding access to start-up capital for women, youth and immigrants were highlighted. Some examples of measures to enhance entrepreneurship are presented below.

Third, the global economic crisis in 2008 and the subsequent economic recovery were also among the factors influencing the entrepreneurship outcomes of immigrants. As the Welfare Commission concluded in their report (Swedish Government Report, 2001, p. 79), immigrants, especially new immigrants, are more vulnerable during recession and welfare retrenchment than the population as a whole. In Sweden, the economic recession of 2008 was mitigated by several social and active labour market policies, including the encouragement and facilitation of self-employment. Policies, rules and regulations were designed to create a more attractive entrepreneurial environment in Sweden. A new law reduced the minimum requirement for share capital in private limited companies from SEK100,000 to SEK50,000 in 2010. Different projects and programmes for increased entrepreneurship were launched, and specialised agencies and government institutions were assigned the responsibility for entrepreneurship promotion on national and local levels, for instance support for business start-ups, the provision of entrepreneurship education, advisory services for (potential) entrepreneurs, support for entrepreneurial networks and programmes for target groups such as women entrepreneurs, immigrant entrepreneurs and young entrepreneurs (Swedish Agency for Economic and Regional Growth, 2010). According to national statistics, GDP per capita decreased from the third quarter of 2008 until the last quarter of 2009 in Sweden, while there was an increase in the number of self-employed in the same period, with a peak in 2010. The share of self-employed among foreign born increased more than among native Swedes, for women as well as for men, and especially for foreign-born women. In conjunction with the economic recovery 2011–2012, self-employment rates stagnated for both natives and foreign born (Statistics Sweden, Labour Force Surveys). Immigration data show that the second largest occupational category among third-country labour immigrants directly after the immigration reform was IT and computer specialist.

Migration policy defines the formal restrictions to migration and hence also affects the selectivity of immigration. Positive self-selection of immigrants will, ceteris paribus, affect immigrants’ relative incomes positively; however, immigrants’ performance is also affected by the institutional structure and market conditions. In the next section, we present theoretical perspectives on the selectivity of migration and how migration reform and changing market conditions may affect immigrants’ incomes.

**Theoretical perspectives on immigration, institutions and incomes**

Several studies on immigrants’ relative incomes report a negative immigrant–native income gap regarding wage employment as well as self-employment, among many others Borjas (1987),
Regarding migrants’ characteristics, the human capital tradition has a strong position in previous research, with its focus on the “quality” and (self-)selection of migrants and the international transferability of skills. Chiswick (1978) found that white immigrant men had a steeper income trend than native-born Americans and concluded that immigrants are positively self-selected in terms of human capital. The low initial income would be due to incomplete international transferability of human capital, but incomes increase over time as country-specific human capital increases. Chiswick’s self-selection hypothesis was based on the analyses of cross-sectional data. Hence, as Borjas (1985) argued, the income profile could be due to the differences in cohort quality or selective return migration. The (self-)selection hypothesis was further developed by Borjas (1987) and in a subsequent study based on data from the USA, he found evidence of negative self-selection (Borjas and Bronars, 1989; Borjas, 1988). Borjas and Bratsberg (1996) later argued that depending on the relative conditions in the country of origin vs the destination, migrants can be either negatively or positively selected (Borjas and Bratsberg, 1996). Jasso et al. (1998) analysed the importance of migration-related processes in explaining income disparities between different immigrant groups in the US labour market and found that immigration selectivity is strongly linked to a wide range of economic and institutional factors. Rather than the selection of return migration, the selection of immigration proved to be decisive in determining the differences between the different groups’ economic assimilation. According to Borjas and Friedberg (2009), immigrants’ incomes converge but do not overreach natives’ incomes, as natives always possess more country-relevant human capital. Rather than self-selection, Banerjee and Lee (2015) refer to signalling theory when explaining a decreasing immigrant–native income gap in Canada, i.e., the value of educational credentials as signals of productivity improved over time for immigrants in the Canadian labour market.

Demand-side explanations relate entrepreneurial performance (income) to institutions and markets (Andersson and Henrekson, 2015; North, 1993). Institutional settings frequently implicate different forms of discriminatory elements or practices, negatively affecting immigrants’ relative incomes (Borjas and Bronars, 1989; Ram and Jones, 2008). Rules and regulations may represent direct barriers to immigrants’ opportunity to start and run businesses (Rath, 2000) and market conditions may be disadvantageous in different ways. There are many studies reporting barriers regarding access to financial credit (Vershinina et al., 2011; Barrett, 1999; Aldén and Hammarstedt, 2016), and accounts of resistance from consumers towards immigrants’ businesses (e.g. Jones et al., 1989). Institutional change that reduces discrimination against immigrant entrepreneurs will have the opposite effect, improving the business environment and opportunities for immigrants relatively more and hence improving their relative incomes. Markets are also affected by the business cycle and to the extent that immigrant entrepreneurs act closer to the margins (Swedish Government, 2002), we may expect their incomes to not only drop faster when an economy moves into recession (Hjerm, 2004) but also increase faster in times of recovery.

The mixed-embeddedness approach offers a perspective that includes both supply- and demand-side elements. The strategies and actions of entrepreneurs are analysed in relation to opportunity structures, i.e., the economic and political context in which the entrepreneurs act (Kloosterman, 2010; Rath, 2006; Kloosterman, 2003). Kloosterman (2003) proposed a classification of policies from the perspective of accessible
opportunities for immigrant entrepreneurs. He argued that immigrant entrepreneurship can be facilitated through macro- and meso-interventions aimed at increasing accessibility to opportunities by eliminating thresholds. Kloosterman (2010) stressed that incomes from entrepreneurship may differ between sectors and ethnicities and may depend on whether business openings are found in expanding or stagnating markets. New immigrants frequently find themselves in weak labour market positions, which is why they may be pushed into self-employment (necessity entrepreneurship). New immigrant entrepreneurs, therefore, tend to cluster in low-threshold markets, where opportunities for growth are limited. The native-immigrant income gap is affected by inter-sectoral mobility over time, across generations or immigration cohorts. For example, entrepreneurs who start businesses in growing and innovative sectors such as ICT are likely to perform better (see Baycan et al., 2012), and interventions that increase accessibility to expanding markets are hence likely to improve immigrant entrepreneurs’ relative incomes. The mixed-embeddedness approach implies taking account of processes operating at different levels, such as the changing dynamics of policies, rules and regulations, the dynamics of market openings, and the social and cultural embeddedness of the entrepreneur. These processes frame the opportunity structures for entrepreneurship and need to be observed in their mutual influence and interdependence (Kloosterman, 2010).

Studies show that countries that have adopted immigration policies favouring highly skilled labour migrants that were matched with jobs noted decreases in the native-immigrant income gap, as reported for the USA (Borjas and Friedberg, 2009), Canada (Banerjee and Lee, 2015) and Australia (Islam and Parasnis, 2016). Selection criteria combined with restrictive migration regimes allow the active selection of immigrants who are better endowed with human capital and more easily able to adapt to the labour market or to recognise opportunities for entrepreneurship in the host country. While refugee migration from third world countries remained restrictive in Sweden, the new migration legislation opened for labour migration from third world countries under the condition that immigrants were matched with jobs or gainful self-employment. In that sense, the new rules show some similarity with immigration regimes of the USA, Canada and Australia, although they are less selective. Liberalisation may open business opportunities for immigrants who can recognise and exploit them and hence improve their incomes (Waldinger et al., 1990). Since immigrants must be recruited to specific jobs or required to run businesses with minimum levels of profit, positive self-selection of immigrants from third world countries is expected to have increased after the introduction of the new migration legislation in Sweden.

Liberalised migration rules may affect the self-selection of migrants, but entrepreneurial income is also affected by changing opportunity structures. Our theoretical approach combines self-selection theory as developed by Chiswick and Borjas with the framework developed by Kloosterman, where the importance of human capital is combined with the context of opportunity structures. An important aspect of the social and cultural embeddedness of entrepreneurs in our study is their status as newly arrived immigrants who bring their human capital endowments and other resources into self-employment in Sweden. Regarding the dynamics of policies, rules and regulations, we are primarily interested in the effects of institutional change on the self-selection of new immigrant entrepreneurs but also in how entrepreneurship policies affected opportunity structures in terms of business environment and incentives for self-employment. Policies supporting entrepreneurship had a positive effect on entrepreneurs in general, but there were also specific policy initiatives aimed directly at immigrant entrepreneurs. Hence, opportunity structures may have improved relatively more for immigrant entrepreneurs than for their native counterparts after 2008. Regarding the dynamics of market openings, we assume that general economic recovery in Sweden after 2008
improved the business environment and benefited entrepreneurship at large. Hence, our main hypotheses are as:

\( H1. \) The native–immigrant disparity regarding entrepreneurial income decreases after 2008 due to an improved business environment for immigrant entrepreneurs.

\( H2. \) Income performance among new immigrant entrepreneurs arriving after 2008 will be more favourable than that among new immigrants arriving before 2008 due to improved self-selection among immigrants of the later cohort.

However, previous research does not guide us regarding the relative effects of supply- vs demand-side factors. Which effect is expected to be stronger? The contribution of the migration reform, affecting the supply (positive self-selection in terms of skills) or improved market conditions (increasing rewards to skills)? In the next sections, we will analyse how entrepreneurial income changed over the period under study and to what extent self-selection and market conditions can explain that change.

**Data and methods**

To investigate income change, we use rich register-based longitudinal microdata from Statistics Sweden (SCB) for the period 2004–2012, with detailed individual-level information on the Swedish population. The database, Longitudinal Integration Database for Health Insurance and Labour Market Studies, comprises time-varying information on all residents of Sweden 16 years of age and older, including foreign-born individuals with residence permits. We excluded seasonal working migrants who receive short-term residence permits (e.g. for work in the berry-picking industry).

The data allow incomes from entrepreneurship, as well as disposable incomes and wages for natives and immigrants, to be tracked during the whole period of study while controlling for regional GDP development and socio-demographic and human capital characteristics at the individual level. To separate the effects of self-selection, i.e. changed skills composition of migrants, from effects of a changing environment, i.e. how skills are rewarded in the markets, we decompose the income differential into “endowments” and “returns”. To compare the income performance of immigrants and natives at different time points, we use a difference-in-difference (DD) approach. The data and methods are described in more detail below.

**Data sample and variables**

In our definition of entrepreneurship, we include unincorporated self-employment according to the classifications of SCB, i.e., active self-employment and engagement in business activity at least a third of the time of regular full-time employment. The average log income from self-employment of immigrants arriving from 2004 to 2007 and from 2009 to 2012 is the outcome of interest (see Portes and Zhou, 1996, for the prevalence of log income). The incomes from unincorporated self-employment are reported to the tax agency as net income from business activity during the year. We assume that underreporting of incomes does not differ systematically between native and migrant entrepreneurs, or between the two cohorts of immigrants, and therefore does not bias the income difference between them (see more discussion in Andersson Joona, 2011). Disposable income can instead be used in the comparison. Disposable income refers to income after taxes and social transfers. The dependent variable is “income from entrepreneurship” (InkFnetto in SCB statistics). We consider positive net incomes from unincorporated self-employment, and we also compare disposable incomes for selected groups of immigrants and natives over the same period of time.
The independent variables include groups of demographic characteristics (age, sex, marital status, number of children and region or country of origin), human capital characteristics (level of education and field of education, number of years since immigration), business-related variables (number of years since firm registration, number of employees) and migration policy-related variables (reason for residence permit). The available data do not identify immigration for entrepreneurship, which is why entrepreneurship migrants are included in the labour migrant category; however, migrants who arrived for family unification reasons, for humanitarian reasons or for study are reported separately. We control for economic growth after crisis recovery and macroeconomic trends as well as for regional differences by including a variable for regional GDP.

The variables *Number of years in Sweden* and *Number of years since firm registration* were used to form cohorts of immigrants arriving before (cohort A, 2004–2007) or after (cohort B, 2009–2012) the immigration policy reform in 2008. The samples of entrepreneurs consist of immigrants and natives who started their business during the periods 2004–2007 and 2009–2012.

As Table I shows, the number of newly arrived immigrants who established businesses within four years of immigration is over 1,000 persons, or 25 per cent, larger in the period from 2009 to 2012 compared to that from 2004 to 2007. Incomes are also higher in the second cohort. In 2012, immigrants represented 21.6 per cent of all new business owners in Sweden who had established their businesses within the last four years. The corresponding figure for 2007 was 19.4 per cent.

Samples are restricted to working ages 25–64 years and selected groups of immigrants who immigrated to Sweden within four years of 2008 and started businesses within the same period, as described above. To compare immigrants’ incomes with the incomes of natives, we created a reference group of natives by selecting those natives who started their businesses during the same four-year period and matched them by the size of the firm (number of employees), regional operation (municipality), individual demographic characteristics (age and number of children) and human capital (years of education). The matching procedure was based on the coarsened exact matching ([CEM](https://example.com)) method ([Iacus et al., 2012](https://example.com)), which is described in the next section.

**Difference-in-difference and coarsened exact matching**

We employ the DD ([Angrist and Pischke, 2008](https://example.com)) approach to detect the income change of immigrant entrepreneurs after the immigration policy reform. DD is a commonly used approach in causality research, which produces results that can be sensitive to the control group selection (see [Bertrand et al., 2004](https://example.com)). Therefore, we combine the DD analysis with CEM ([Iacus et al., 2012](https://example.com)) to balance the “control” sample of natives and the “treatment” group of immigrants. The CEM method belongs to the “monotonic imbalance bounding” class ([Iacus et al., 2011](https://example.com)), which generalises and outperforms “equal per cent bias reducing”, of which propensity score matching (PSM) is a member. CEM overcomes the reported weaknesses of PSM such as a predefined size of the control group before matching. CEM prunes cases based on coarsened data such that there is at least one corresponding observation in both groups. To balance samples with respect to gender, age, education and regional characteristics, we include corresponding variables in the matching procedure. We estimate the following regression with an OLS approach:

\[
Y_{iB} = \beta_0 + \beta_1 Ch + \beta_2 Imm + \beta_3 (Ch \cdot Imm) + \beta_4 X_i + \epsilon_i, \tag{1}
\]

where *Ch* is a dummy variable equal to 1 for the time period after the reform and 0 before the reform. *Imm* is a dummy variable with 1 corresponding to immigrants. The composite
## Immigrants cohorts

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n = 3,945</td>
<td>n = 4,988</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>36.9 (9.59)</td>
<td>37.9 (10.0)</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>1,432 (36.3%)</td>
<td>1,945 (39.0%)</td>
</tr>
<tr>
<td>Male</td>
<td>2,513 (63.7%)</td>
<td>3,043 (61.0%)</td>
</tr>
<tr>
<td><strong>Civil status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1,122 (28.4%)</td>
<td>1,641 (32.9%)</td>
</tr>
<tr>
<td>Married</td>
<td>2,363 (59.9%)</td>
<td>2,832 (56.8%)</td>
</tr>
<tr>
<td>Divorced or widowed</td>
<td>460 (11.7%)</td>
<td>515 (10.3%)</td>
</tr>
<tr>
<td><strong>Number of children</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>2,198 (55.7%)</td>
<td>3,015 (60.4%)</td>
</tr>
<tr>
<td>1–2</td>
<td>1,494 (37.9%)</td>
<td>1,689 (33.9%)</td>
</tr>
<tr>
<td>3 or more</td>
<td>253 (6.41%)</td>
<td>284 (5.59%)</td>
</tr>
<tr>
<td><strong>Region of birth country</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe (except Sweden)</td>
<td>1,898 (57.6%)</td>
<td>2,392 (56.0%)</td>
</tr>
<tr>
<td>Africa</td>
<td>71 (2.16%)</td>
<td>138 (3.23%)</td>
</tr>
<tr>
<td>Middle East</td>
<td>803 (24.4%)</td>
<td>809 (18.9%)</td>
</tr>
<tr>
<td>Former Soviet Union</td>
<td>108 (3.28%)</td>
<td>216 (5.06%)</td>
</tr>
<tr>
<td>Asia</td>
<td>168 (5.10%)</td>
<td>325 (7.61%)</td>
</tr>
<tr>
<td>India</td>
<td>26 (0.79%)</td>
<td>42 (0.98%)</td>
</tr>
<tr>
<td>US CA AU USA, Canada and Australia</td>
<td>121 (3.67%)</td>
<td>172 (4.03%)</td>
</tr>
<tr>
<td>Other</td>
<td>99 (3.01%)</td>
<td>177 (4.14%)</td>
</tr>
<tr>
<td><strong>Reason for residence permit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work and entrepreneurship</td>
<td>1,067 (33.5%)</td>
<td>1,347 (36.0%)</td>
</tr>
<tr>
<td>Family</td>
<td>1,614 (50.6%)</td>
<td>1,832 (49.0%)</td>
</tr>
<tr>
<td>Refugee</td>
<td>348 (10.9%)</td>
<td>311 (8.31%)</td>
</tr>
<tr>
<td>Study or other</td>
<td>160 (5.02%)</td>
<td>251 (6.71%)</td>
</tr>
<tr>
<td><strong>Number of years in Sweden</strong></td>
<td>1.69 (1.02)</td>
<td>1.93 (1.04)</td>
</tr>
<tr>
<td><strong>Field of education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>2,277 (57.7%)</td>
<td>2,808 (56.3%)</td>
</tr>
<tr>
<td>Socio-humanitarian</td>
<td>883 (22.4%)</td>
<td>1,221 (24.5%)</td>
</tr>
<tr>
<td>Technical</td>
<td>630 (16.0%)</td>
<td>792 (15.9%)</td>
</tr>
<tr>
<td>Medical</td>
<td>155 (3.93%)</td>
<td>167 (3.35%)</td>
</tr>
<tr>
<td><strong>Level of education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>518 (13.1%)</td>
<td>586 (11.7%)</td>
</tr>
<tr>
<td>Secondary</td>
<td>1,246 (31.6%)</td>
<td>1,509 (30.3%)</td>
</tr>
<tr>
<td>Higher</td>
<td>1,428 (36.2%)</td>
<td>1,956 (39.2%)</td>
</tr>
<tr>
<td>Unknown</td>
<td>753 (19.1%)</td>
<td>937 (18.8%)</td>
</tr>
<tr>
<td><strong>Previous status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>640 (16.2%)</td>
<td>901 (18.1%)</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3,305 (83.8%)</td>
<td>4,087 (81.9%)</td>
</tr>
<tr>
<td><strong>Industry sector</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>566 (16.0%)</td>
<td>736 (16.0%)</td>
</tr>
<tr>
<td>Construction</td>
<td>515 (14.6%)</td>
<td>778 (16.9%)</td>
</tr>
<tr>
<td>Retailing</td>
<td>495 (14.0%)</td>
<td>451 (9.80%)</td>
</tr>
<tr>
<td>Transport, storage</td>
<td>40 (1.13%)</td>
<td>56 (1.22%)</td>
</tr>
</tbody>
</table>

Table I. Immigrants cohorts (continued)
variable \((Ch\ Imm)\) equals 1 indicates immigrant cohort B. \(X_i\) is a vector of immigrant–native-time-varying control variables.

We perform DD analysis for the recently established businesses of natives and immigrants with both matched and unmatched data to control for the robustness of the results. The difference between the DD procedure results for matched and unmatched samples gives the estimation of the covariates chosen for the matching contribution to the income differential. For a detailed estimation of every covariate and returns to the covariate’s contribution to the outcome variable’s change, decomposition analysis is appropriate. The “placebo” effect is applicable to previous years.

**Blinder–Oaxaca decomposition**

Once the changes in income trends of the “treated” group of immigrant entrepreneurs is detected with the methods described above, it is interesting to explain the factors that were responsible for the change that occurred. The best way to determine the expected contribution of compositional and institutional components is to employ a regression decomposition. The Blinder–Oaxaca (Oaxaca, 1973; Blinder, 1973) regression decomposition technique allows the decomposition of the income differential between two cohorts of immigrant entrepreneurs into difference due to endowments and difference due to the change in coefficients. The first part captures the influence of the impact of composition change, and the second captures the estimated impact of change in the environment. In a threefold decomposition, a mix of both can be estimated, which corresponds to the theoretical assumptions made previously.

This is a “threefold” decomposition where group B is the reference group. The first component captures the contribution of the difference in predictors or endowments (the portion of the gap that would be closed if group B had the same endowments as group A). The second component captures the contribution of the difference in coefficients (the portion of the gap that would be closed if group B had the same coefficients as group A). The third component is an interaction term that accounts for the fact that differences in endowments and coefficients occur simultaneously. This component is the portion of the gap that only arises if endowments and returns change together. Combining the intercept part in Equation (1) with the second component presents a twofold decomposition where the second part is the “unexplained” component. The decomposition technique allows the influence of the individual variables on the income gap to be estimated.

In the next section, standard threefold and twofold Blinder–Oaxaca decompositions will be estimated based on an OLS regression with a calculation of standard errors[2].
Results

The empirical analysis is designed in two stages. First, after comparing the trends of incomes from entrepreneurship among immigrants and natives by a graph of trends based on microdata calculations for the period of eight years (2005–2012, 2005 being the first complete income year for those immigrated in 2004) and graphs of income distribution, we employ a DD analysis for four time points for matched and unmatched data to identify deviance in trends due to institutional change. Second, we decompose log incomes from the entrepreneurship of the two cohorts of immigrants (who arrived before and after the reform) using the Blinder–Oaxaca approach.

A time trend graph (Figure 1) displays a sharp increase in incomes from entrepreneurship for immigrants in 2010. While in previous years, both trends developed almost in parallel, in 2010, immigrants’ incomes grew faster and converged with those of natives, even slightly surpassing them in 2012. Surprisingly, as Figure A1 (in the Appendix) displays, such sudden changes did not occur in either immigrants’ disposable incomes or immigrant employees’ wages. Instead, both of those types of incomes drifted in parallel, keeping the “disposable income gap” and “wage gap” almost unchanged.

Figure 2 displays the kernel distribution of log incomes from entrepreneurship for immigrants and natives in 2007 and 2012, respectively. The different “humps” in the
distribution between the two years suggest the native–immigrant income gap has in fact decreased over the studied time period.

The results from six different DD regression models are presented in Table AI in the Appendix. The first three models contrast 2012–2007, while the last three models contrast 2011–2008. Models 1 and 4 use unmatched data with less control variables, and models 2 and 5 include more control variables of the same unmatched data for 2012–2007 and 2011–2008, respectively. Models 3 and 6 use matched data with fewer controls. \( \text{imm} \) is a dummy variable taking 1 for immigrants and 0 for natives, while \( Ch \) is dummy variable for time, where \( Ch = 1 \) for 2012 and 2011, and \( Ch = 0 \) for 2008 and 2007, respectively. The coefficient of \( \text{imm}:Ch \) (the DD variable) is of most interest, as it shows the difference between immigrants and natives between two time points. The coefficients of \( \text{imm}:Ch \) are significant in all six models, showing significant changes in immigrant incomes from entrepreneurship compared to the control group of natives. The results are robust for different models.

Based on the log-linear regression decomposition of income change, we test the contribution of specific factors: endowments, i.e. compositional changes in demographic characteristics, human capital level, entrance to specific sectors, etc., and coefficients, returns due to changes in the environment. Immigrants’ global ties probably reinforced the recognition of these opportunities, attracting entrepreneurs from abroad into traditional immigrant and innovative sectors (Emilsson, 2014). The business environment in Sweden also improved after the economic crisis of 2008, and different business-supportive instruments were implemented to involve an unemployed and inactive labour force in self-employment. This finding also probably explains the improving returns to immigrant entrepreneurship in traditional sectors such as hotels and restaurants or retail. While the compositional side shows more immigrants started businesses in growing sectors such as ICT (almost two times higher in cohort B than in cohort A), it is clear that a major contribution to income increase is due to changes in the business environment.

The estimated mean income difference between the two cohorts of immigrant entrepreneurs consists of 0.251 or 25.1 per cent in total, based on estimated log-linear OLS regressions. This gap of mean incomes was further decomposed into characteristic-related and returns-to-characteristics-related components. The threefold decomposition (Table II) shows that the difference in endowments of the immigrant cohorts explains 6.84 percentage points of the total income difference and that 20.42 percentage points of income increase was due to the change in the coefficients, while interactions of these two parts decreased the income difference by 2.17 percentage points. The last part is difficult to interpret; therefore,

---

**Estimated characteristics**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of immigrant entrepreneurs (before the reform)</td>
<td>2,015</td>
</tr>
<tr>
<td>Number of immigrant entrepreneurs (after the reform)</td>
<td>2,574</td>
</tr>
<tr>
<td>Pooled number of observations</td>
<td>4,589</td>
</tr>
<tr>
<td>Mean ln income before the reform</td>
<td>6.317</td>
</tr>
<tr>
<td>Mean ln income after the reform</td>
<td>6.568</td>
</tr>
<tr>
<td>Gap/differential observed (( \Delta Y ))</td>
<td>0.251</td>
</tr>
</tbody>
</table>

**Aggregate decomposition**

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threefold</td>
<td></td>
</tr>
<tr>
<td>Endowments/explained effect</td>
<td>0.0684 (0.0269)</td>
</tr>
<tr>
<td>Coefficients/unexplained effect</td>
<td>0.2042 (0.0412)</td>
</tr>
<tr>
<td>Interaction</td>
<td>−0.0217 (0.0294)</td>
</tr>
<tr>
<td>Twofold</td>
<td></td>
</tr>
<tr>
<td>Endowments/explained effect</td>
<td>0.0754 (0.0189)</td>
</tr>
<tr>
<td>Coefficients/unexplained effect</td>
<td>0.1755 (0.0346)</td>
</tr>
</tbody>
</table>

**Table II.** Oaxaca decomposition of mean differences in log incomes from entrepreneurship for two cohorts of immigrants
A twofold decomposition is used to allow the income difference to be split into two parts: 7.54 percentage points of income increase was due to the change of endowments and 17.55 percentage points was due to the change in coefficients.

A detailed decomposition presented in Figure A2 shows which factors contributed most to the income change. These factors are highlighted in Table II. The change of the following five endowments significantly and positively influenced incomes. The number of years lived in Sweden and the number of years since firm registration (Years_sReg) logically explain that cohort B had established their firms in their first years following immigration. The variable residence permit for work and self-employment (PermitWork) is most interesting for the analysis because it captures the income increase due to changes in cohort composition by reason of immigration after the immigration policy was changed. The larger number of immigrants aiming for work or entrepreneurship in the second cohort increased their average income by 2.7 percentage points (see Table AII). Therefore, we argue that the logical conclusion is that the liberalisation of immigration increased self-employed immigrants’ incomes by 2.7 percentage points through attracting more entrepreneurs. Increasing the number of immigrant entrepreneurs in traditional immigrant sectors – retailing and hotels and restaurants – explain 1.5 and 1.0 percentage points of income increase, respectively. Certain endowments had a negative effect on incomes. A greater number of women among entrepreneurs in the second cohort negatively impacted average incomes by −1.3 percentage points, indicating lower incomes among women. A growing number of immigrant entrepreneurs in the public sector decreased the average income by 1.5 percentage points. Increased numbers of entrepreneurs from regions of the Middle East, the former Soviet Union and Asia negatively impacted the average income by approximately 1 percentage point each (see Table AII). From Figure A2, it is apparent that there was no significant influence of the changes in other variables. Despite evidence of an increasing number of immigrants entering the ICT sector and the growth of their incomes in the second period, due to their comparatively small numbers (73 entrepreneurs in 2007 and 202 in 2012), this difference did not significantly influence the average income. There was no significant effect of either immigrants’ educational field or educational level.

Table AII also shows the unexplained parts of the decomposition, i.e. the effects of the coefficients. Returns to residence permit for work and self-employment (PermitWork) constitute the second largest contribution (after returns to age), with a contribution of 8.2 percentage points to the whole income differential. This again stresses that institutional change came with a positive influence on immigrant entrepreneurs’ incomes through both direct influence (attracting more successful entrepreneurs) and the indirect effect of a better entrepreneurial environment for immigrants. Increasing returns to working in the hotels and restaurants sector or in the public sector had a positive impact on the income differential. The business environment for women also improved in the second period and returns to female business positively contributed 2.7 percentage points to the income change. Returns to the number of years in Sweden and returns to the number of employees negatively impacted the income differential.

The Oaxaca decomposition identified the increase of average incomes among immigrant entrepreneurs in the cohort that arrived after the immigration policy change to 10.9 percentage points in total, of which 2.7 percentage points was due to compositional change (better matching due to larger number of immigrants who arrived for work and entrepreneurship) and 8.2 due to increasing returns to the category holding a residence permit for work and entrepreneurship. The former can be interpreted as a positive change of the self-selection of new immigrant entrepreneurs, while the latter can be explained as a result of an improving business environment in Sweden. The estimate is statistically significant at the 1 per cent level and supports our main hypothesis about a positive self-selection effect of the immigration policy reform of 2008.
Discussion
In the call for this special issue, the absence of migration from the mainstream academic literature on business on management was highlighted. Hence, we responded to the call by investigating how changing opportunity structures, in terms of migration legislation and market conditions, affected new immigrants’ entrepreneurship in Sweden. The main purpose was to study the development of entrepreneurial income; whether there is a widening or a narrowing native–immigrant income gap during the period; whether migrants arriving after the migration reform were more successful than those who arrived before the reform and whether self-selection or changing market conditions were the most important factor explaining income change.

While the native–immigrant income gap is well documented in the previous literature, we investigate how this gap changes and what factors determine the size and direction of that change. Andersson Joona (2011) discusses the different factors that can explain the income gap, such as a lower reservation wage for immigrants, a lower employment rate and discrimination in financial and consumer markets. Although institutional change in Sweden did not eliminate such factors, we find a convergence of incomes from entrepreneurship for immigrants relative to natives during the period of analysis, especially in the years 2010–2012, which was a period of general economic recovery. The income distribution of immigrant entrepreneurs shifted outward, narrowing the native–immigrant income gap. We also find that during the same period, the native–immigrant income gaps regarding both total disposable incomes and employee wages remain persistent. One limitation to our data is that we can only observe incomes reported to the tax authorities. The new immigration legislation created incentives to report entrepreneurial income due to the minimum income requirement for residence permit, which may explain the part of the observed convergence of entrepreneurial income. However, there are similar incentives for employees regarding salaries and wages, but we find no corresponding convergence in terms of wage incomes. Hence, immigrant entrepreneurs seem to have benefited relatively more from the development after 2008, compared to both native entrepreneurs and immigrant employees. In particular, the years of economic recovery after 2008 in Sweden seem to have been important for the closing income gap. This finding is in line with the earlier research, which concluded that immigrants are relatively better off in times of economic upturn than in times of economic downturn.

Regarding the question of the relative performance of immigration cohorts, based on the self-selection literature following Chiswick (1978) and Borjas (1985), we hypothesised that immigrant entrepreneurs who arrived after the migration reform would be more successful in terms of entrepreneurial income compared to those who arrived before. Our results give support for this hypothesis, something that have implications for the self-selection literature. Opportunities created through the liberalisation of immigration rules seem to have affected self-selection of immigrant entrepreneurs in a positive direction, from the perspective of the receiving economy. According to Borjas and Bratsberg (1996), not only conditions in the destination country matters, but the relative conditions in the country of origin vs the country of destination. Relative conditions in terms of mean income levels and income distribution decide whether self-selection will be positive or negative. In Sweden, income distribution is more compressed than in practically all countries affected by the migration reform, while mean incomes are generally higher in some countries, e.g. the USA, but lower in others, e.g. India. While we find a positive change in self-selection over the period of analysis, a more detailed analysis on the origins of new immigrant entrepreneurs in Sweden could shed more light on this issue.

However, self-selection is only one part of the story, since it basically deals with the supply side. Our third question includes the demand side and regards the relative importance of self-selection vs changing market conditions. Taking a mixed-embeddedness
perspective, we ask to what extent the difference in income development between immigration cohorts could be attributed to institutional change, affecting opportunity structures in terms of market conditions. We mean that a mixed-embeddedness perspective helps understanding the complexity of conditions and outcomes of entrepreneurship and our results.

The results from our analysis show that the increase in relative income for new immigrants is partly a result of composition, i.e. a positive change in immigrants’ average endowments due to self-selection, and partly a result of changes in the environment. A more liberal immigration law opened business opportunities in Sweden to new groups, attracting entrepreneurship migrants capable of identifying and exploiting those opportunities. The cohort of immigrants who entered Sweden after the reform included a larger share of individuals with higher education, more of whom came from employment and started business activities in growing sectors such as ICT, although the increasing popularity of the ICT sector among self-employed immigrants and the growing incomes in the sector did not significantly contribute to the total change of average income among the two cohorts. An even larger part of the income improvement was due to changes in the environment. General economic recovery as well as institutional change resulted in a more beneficial market situation with a business environment able to reward immigrant entrepreneurs’ individual characteristics more than before. Hence, selection effects seem to have increased the general “quality” of new immigrant entrepreneurs’ characteristics, while changes in the business environment increased the returns to immigrant entrepreneurs’ characteristics, including those who had immigrated for other reasons but later switched to entrepreneurship.

The share of immigrants with residence permits for work and entrepreneurship increased after the reform. According to the Blinder–Oaxaca decomposition model, this change explains 10.9 per cent of the improvement of income performance for self-employed immigrants, of which 2.7 per cent was due to compositional change, and 8.2 per cent was due to increasing returns. We argue that increased returns to immigrants’ human capital occurred due to the improvement of business conditions in Sweden after 2008 and other entrepreneurship support policies that reinforced the effects of immigration policy liberalisation. These factors can also explain the improving incomes for EU and family-based self-employed immigrants (who were not the subjects of the reform) but on a smaller scale. Decomposition also shows that returns within traditional sectors were positive and large, indicating the influence of business environment improvements and of other factors in the environment.

There are some limitations to our data with relevance for the interpretations of our empirical results that must be highlighted. First, a basic assumption in our study is that, *ceteris paribus*, the propensity for tax evasion is the same for native and foreign-born entrepreneurs. However, due to the minimum income requirement for new immigrant entrepreneurs, the immigration policy reform may have created incentives to formalise informal incomes, but mostly for new immigrant entrepreneurs. Hence, the income convergence that we observe for the years 2010–2012 could be due to a relatively larger share of entrepreneurial income being reported to the tax authorities by new immigrant entrepreneurs than by native entrepreneurs. Second, an obvious limitation to the study is that we cannot isolate effects from specific changes in the institutional structure or in the general business climate. Income decomposition implies that we separate the effects of observed factors from the effects of unobserved factors. According to our interpretation, the positive effect of unobserved factors (“returns to characteristics”) among immigrant entrepreneurs in the 2009–2012 immigration cohorts is due to an improved business environment. Hence, we define “business environment” in a broad sense, including the factors of institutional framework, business climate, markets, discriminatory practices,
among others, i.e. the general context in which the entrepreneur operates – the demand side. Of course, there are also individual characteristics among entrepreneurs that are unobserved in our data. To the extent that there are systematic differences regarding unobserved supply side characteristics between the first and the second cohort of immigrant entrepreneurs in our study, the effects of self-selection could be stronger or weaker than the results of our analysis show.

Our results have some theoretical implications regarding self-selection theory as well as for the mixed-embeddedness approach. Self-selection theory primarily focusses on the supply side but frequently disregards demand-side factors such as institutional change and market dynamics. Mixed-embeddedness certainly takes into account the demand side, in terms of analysing opportunity structures, but the literature is weaker regarding entrepreneurial agency in relation to changing opportunity structures. By combining the self-selection and the mixed-embeddedness approaches, we consider both supply- and demand-side factors. We separate the income effects of an improved business environment from the effects of changing self-selection, i.e. entrepreneurial response to changing opportunity structures. Hence, we contribute to both approaches.

Furthermore, we expect that the paper might have implications for policymakers. The immigration policy reform had the effect of attracting migrant entrepreneurs and, together with other policy measures for entrepreneurship and growth, was conducive to changing opportunity structures and a decreasing income gap between native and immigrant entrepreneurs. The income performance of immigrant entrepreneurs improved through the better matching of new immigrants affected by the reform and in that sense, the immigration policy reform was successful. Increased growth was one of the aims of the reform, both through the elimination of production bottlenecks and through increased entrepreneurship and innovation. Growth effects of the reform are beyond the scope of this study, but the fact that the new immigration legislation had the effect of attracting successful immigrant entrepreneurs, in growing high-tech industries as well as in traditional labour-intensive industries, indicates that the reform promoted growth both through innovation and through employment. A continued lowering of the barriers for entrepreneurship immigration could hence be a way to enhance growth further.

**Conclusion**

The aim of the paper was to analyse the income performance of immigrant entrepreneurs in Sweden over a period when major institutional changes occurred. One such change was the new immigration legislation that opened new opportunities for labour immigration by third-country nationals, including the possibility of entrepreneurship immigration, i.e. with purpose to run a business in Sweden. Our main hypothesis was that the new opportunities created by the immigration policy reform positively affected the self-selection of new immigrants, which would improve the relative incomes of new immigrant entrepreneurs – both compared to native entrepreneurs and to entrepreneurs among earlier cohorts of immigrants. However, there were also changes to the business environment in Sweden, resulting both from proactive policies for entrepreneurship and growth and due to general conditions in terms of economic recession and recovery. The net effect of the changes to the business environment was expected to be positive at large, while the effect on new immigrant entrepreneurs’ relative incomes was more difficult to predict. Therefore, our analysis of the income gap over time also includes the separation of effects related to selectivity of migration from the effects of a changing business environment.

Regarding the relative income performance of earlier vs more recent cohorts of immigrant entrepreneurs and the question of immigration selectivity, we find that incomes from entrepreneurship increased for recent immigrant cohorts arriving after 2008 relative to that of earlier cohorts. Although these immigrant cohorts settled in Sweden within a
relatively short period of time, their income performance differs significantly. Entrepreneurial incomes for those arriving 2009–2012 are approximately 25 per cent higher on average compared to those arriving 2004–2007. Decomposition shows that incomes changed mostly due to the change in coefficients, which corresponds to a change in the business environment, and, to some extent, due to a positive change in the composition of immigrants arriving after the reform.

In sum, we find that the introduction of a liberalised regime for labour immigration in Sweden positively affected the self-selection of new immigrant entrepreneurs. During the period of study, entrepreneurial income among new immigrants increased relative to natives as well as to earlier cohorts of immigrant entrepreneurs. This was partly due to self-selection, but to an even larger extent due to an improved business environment for immigrant entrepreneurs.

Notes
1. Matched and unmatched groups display similar trends in income change.
2. The R package “Oaxaca” (Hlavac, 2014) based on Jann (2008) was used in the analysis.

References


Response to changing opportunity structures

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**Further reading**


Appendix

Figure A1. Mean of disposable incomes for entrepreneurs and mean wage employees

Figure A2. Detailed decomposition of mean log incomes from entrepreneurship

Source: Authors’ elaboration using Oaxaca R package
## Table AI.


<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
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<tr>
<td>\textit{imm}</td>
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<td>-0.718***</td>
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<tr>
<td></td>
<td>(0.030)</td>
<td>(0.133)</td>
</tr>
<tr>
<td>\textit{Ch}</td>
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<td>-0.085 (0.123)</td>
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<tr>
<td></td>
<td>(0.008)</td>
<td>(0.010)</td>
</tr>
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<td>\textit{sexFemale}</td>
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<td>-0.300***</td>
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<td></td>
<td>(0.008)</td>
<td>(0.049)</td>
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<td>\textit{age}</td>
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<tr>
<td></td>
<td>(0.0002)</td>
<td>(0.0004)</td>
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<td>-0.067</td>
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<tr>
<td></td>
<td>(0.093)</td>
<td>(0.008)</td>
</tr>
<tr>
<td>\textit{sectorTransport}</td>
<td>-0.654***</td>
<td>0.001***</td>
</tr>
<tr>
<td></td>
<td>(0.082)</td>
<td>(0.0002)</td>
</tr>
<tr>
<td>\textit{rgdp}</td>
<td>-0.179**</td>
<td>-0.179*</td>
</tr>
<tr>
<td></td>
<td>(0.084)</td>
<td>(0.0087)</td>
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<tr>
<td>\textit{PermitFamily}</td>
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<tr>
<td></td>
<td>(0.098)</td>
<td>(0.089)</td>
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<td>\textit{PermitRefugee}</td>
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<td></td>
<td>(0.040)</td>
<td>(0.092)</td>
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<td>\textit{imm:Ch}</td>
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<td>0.355***</td>
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<tr>
<td></td>
<td>(0.129)</td>
<td>(0.039)</td>
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<tr>
<td>\textit{Constant}</td>
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<td>7.071***</td>
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<tr>
<td></td>
<td>(0.013)</td>
<td>(0.020)</td>
</tr>
<tr>
<td>Observations</td>
<td>146,588</td>
<td>69,633</td>
</tr>
<tr>
<td></td>
<td>4,272</td>
<td>164,146</td>
</tr>
<tr>
<td>R^2</td>
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<td>0.037</td>
</tr>
<tr>
<td>Adjusted R^2</td>
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<td>0.028</td>
</tr>
<tr>
<td>Residual SE</td>
<td>1.450 (df = 146,582)</td>
<td>1.319 (df = 69,627)</td>
</tr>
<tr>
<td></td>
<td>1.424 (df = 164,140)</td>
<td>1.278 (df = 4,469)</td>
</tr>
<tr>
<td>F statistic</td>
<td>1,363.011*** (df = 5; 146,582)</td>
<td>347.823*** (df = 5; 69,627)</td>
</tr>
<tr>
<td></td>
<td>1,277.805*** (df = 5; 164,140)</td>
<td>17.666*** (df = 24; 4,469)</td>
</tr>
</tbody>
</table>
| Notes: * \( p < 0.05; ** \( p < 0.01; *** \( p < 0.001 \)
Response to changing opportunity structures

Table AII. Detailed twofold decomposition results for chosen variables

<table>
<thead>
<tr>
<th></th>
<th>Explained</th>
<th>Unexplained</th>
<th>Unexplained cohort 2012</th>
<th>Unexplained cohort 2007</th>
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</thead>
<tbody>
<tr>
<td>PermitWork</td>
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<td>0.082</td>
<td>0.022</td>
<td>0.060</td>
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<td>-0.001</td>
<td>-0.0002</td>
<td>-0.0005</td>
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<td>0.045</td>
<td>0.017</td>
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<td>SectorRetailing</td>
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<td>0.015</td>
<td>0.004</td>
<td>0.011</td>
</tr>
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<td>SectorPublic sector</td>
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<td>0.039</td>
<td>0.015</td>
<td>0.024</td>
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<td>Years_sReg</td>
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<td>0.007</td>
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<td>-0.006</td>
<td>0.235</td>
<td>0.070</td>
<td>0.165</td>
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<td>SexFemale</td>
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<td>0.027</td>
<td>0.008</td>
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<td>CountryAsia</td>
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<td>-0.008</td>
<td></td>
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From breaking-ice to breaking-out: integration as an opportunity creation process

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Abstract
Purpose – The purpose of this paper is to conduct an inductive case study to understand how the opportunity creation process leads to integration.
Design/methodology/approach – It examines four cases of immigrant entrepreneurs of Cameroonian, Lebanese, Mexican and Assyrian origins who founded their businesses in Sweden. The study relies on process-oriented theory building and develops an inductive model of integration as an opportunity creation process.
Findings – The suggested model shows immigrants’ acculturation into the host society via three successive phases: breaking-ice, breaking-in and breaking-out. In the breaking-ice phase, immigrants trigger entrepreneurial ideas to overcome the disadvantages that they face as immigrants in the host country. In the breaking-in phase, immigrants articulate their entrepreneurial ideas by bonding with the ethnic community. In the breaking-out phase, the immigrants reorient their entrepreneurial ideas by desegregating them locally.
The paper concludes by elaborating theoretical and practical implications of the research.
Originality/value – Immigrants act when they are socially excluded and discriminated in the labor market by developing business ideas and becoming entrepreneurs. By practicing the new language and accommodating native customers’ preferences, immigrants reorient their entrepreneurial ideas. The immigrants tailor their ideas to suit their new customers by strengthening their sense of belonging to the local community.

Keywords Immigrants, Entrepreneurial opportunity, Integration process, Opportunity creation process, Acculturation theory, Sweden, Breaking-in, Breaking-out, Breaking-ice

Paper type Research paper

1. Introduction
The economic and social integration of immigrants in the new host country is important because of the increased global migration, the challenges of maintaining social cohesion between immigrants’ home and host countries (Van Oudenhoven and Ward, 2013) and the rise of increasing gaps in opinions about people with different backgrounds (e.g. Statham, 2016a). Thus, immigrants experience disadvantages in the new host country because of inequalities and social segregation which results in their discrimination in the labor market and isolation from the local community (e.g. Slavnic, 2012; Griffin-El and Olabisi, 2018).
To examine immigrants’ economic integration, literature on immigrant entrepreneurship introduced “breaking” as marketing strategies and actions that explain how immigrants identify opportunities and start ventures when inequalities and social fragmentation co-exist (Ram and Jones, 1998; Basu, 2011; Slavnic, 2012; Lassalle and Scott, 2018). Immigrant entrepreneurs...
employ breaking strategies to develop ventures that are focused on ethnic markets, or products for middleman markets and/or conform products to public preferences (Ram and Jones, 1998; Lassalle and Scott, 2018). Adopting a structuration perspective, breaking strategies are also used for studying how immigrants achieve social integration by identifying business opportunities and rapidly moving to launching new ventures (Griffin-EL and Olabisi, 2018).

While breaking strategies are linked to immigrants’ economic or social integration, research does not examine the process of opportunity creation for developing entrepreneurial ideas. This is important to better understand how immigrants’ entrepreneurial actions unfold when they experience segregation (e.g. Portes et al., 2002; Jones et al., 2014; Ram et al., 2017). Immigrants may be self-employed because of the social and economic exclusion they face in the host country (e.g. Portes and Sensenbrenner, 1993; Vershinina et al., 2011; Wang, 2013). Thus, the creation perspective of opportunity is relevant in this regard since it highlights the influence of context on the process of building an opportunity (Dimov 2007; Alvarez and Barney, 2007, 2013). According to this perspective, entrepreneurs influence and are influenced by their context in developing entrepreneurial opportunities as the process evolves (Aldrich and Waldinger, 1990; Fletcher, 2006). Investigating the opportunity creation process by immigrants can thereby help us understand how economic and social integration takes place as immigrant entrepreneurs advance their business ideas.

An additional perspective that could develop our understanding of immigrants’ process of economic and social integration is the acculturation perspective. Acculturation refers to a process “when groups of individuals having different cultures come into continuous first-hand contact with subsequent changes in the original culture patterns of either or both group” (Redfield et al., 1936, p. 149). Integration is thus a result of the process of acculturation when both cultural maintenance and involvement are valued and practiced (Berry, 1997, 2001). An acculturation perspective to immigrants’ integration can help examine a number of relevant aspects such as immigrants’ language abilities (e.g. Raijman and Tienda, 2003), knowledge about the culture in the host country (Light, 1979; Volery, 2007) and relationships with the ethnic community and their native peers (Portes and Sensenbrenner, 1993).

This paper thereby aims to further understand how immigrants’ opportunity creation process leads to their economic and social integration. It relies on the acculturation perspective (Berry, 1997), the breaking strategies (Griffin-EL and Olabisi, 2018) and the creation perspective of entrepreneurial opportunities (Alvarez and Barney, 2007) as the theoretical background. The research employs an inductive case study approach for studying four cases of immigrant entrepreneurs of Cameroonian, Lebanese, Mexican and Assyrian origins who have founded their businesses in Sweden.

This paper proposes an inductive model of integration as an opportunity creation process. It shows how the opportunity creation leads to immigrants’ economic and social integration into the local society. The model contributes to immigrant entrepreneurship literature by linking acculturation, breaking strategies and entrepreneurial opportunities in several ways. First, it underlines how entrepreneurial actions such as triggering entrepreneurial ideas, relying on the ethnic community and connecting with native customers serve the purpose of integrating immigrants with the local community. Second, the model demonstrates immigrants’ acculturation into the host society through three ongoing and iterative phases: breaking-ice, breaking-in and breaking-out. The model advances the existing literature on breaking-in and breaking-out strategies and actions (Engelen, 2001; Slavnic, 2012; Lassalle and Scott, 2018) by framing breaking as processes and relating them to different entrepreneurial actions. Breaking-ice captures the initiation of an economic and social integration process and also the beginning of an immigrant entrepreneur’s opportunity creation process. By focusing on the initiation of the opportunity creation process, breaking-ice supplements prior literature that focuses on breaking-in and breaking-out with an acculturation lens.
The rest of the paper is organized as follows: Section 2 provides the theoretical background of the study including immigrants’ integration, breaking strategies and the entrepreneurial opportunity process. Section 3 discusses the study’s research methodology. Section 4 introduces the results and Section 5 presents the inductive model for entrepreneurial opportunity creation as an integration process. Section 6 discusses the contributions and limitations of the study.

2. Theoretical background

2.1 Immigrants’ integration

Integration is a central concept in literature on acculturation psychology and is commonly examined as an acculturation process. Integration is seen as the combination of two cultural systems for immigrants who interact with their home and host countries (Boski, 2008). The acculturation process implies participation in both the entering and receiving cultures at both collective and individual levels (Bourhis et al., 1997; Berry, 2001; Van Oudenhoven and Ward, 2013; Barker, 2015). In the acculturation process, immigrants adapt their habits, behaviors, communication styles and language as per the norms of the host country (Berry, 1997; Portes, 1997). Such a process is called “the psychological adjustment of multicultural individuals” (Chen et al., 2008, p. 803).

Berry’s (1997, 2001, 2003) acculturation approach is a reference point in sociology and psychology literature for examining an individual’s integration into the host society. Berry introduces four acculturation strategies: assimilation, separation, marginalization and integration. The assimilation strategy implies that individuals do not want to maintain their home country’s culture and aim to be absorbed by the host country (e.g. Lu et al., 2012). Separation means that individuals avoid interactions in the host country and focus on maintain their home country’s culture. Marginalization comprises that individuals lose ties to their home country while they are still unable to establish relationships in the host country. Marginalization and separation strategies are important for understanding individual situations where cultural participation in the host country is at a low level. In these strategies, individuals favor the maintenance of the home country’s culture because of the discrimination that they experience in the host country. An individual usually moves from marginalization to integration, which occurs when both cultural maintenance and cultural involvement are valued and practiced (Berry, 2009).

Although Berry’s (1997) acculturation approach is not without its critics (Rudmin, 2003), it is suitable for understanding how the process of immigrants’ economic and social integration takes place. The integration of immigrants is a pervasive and predominant challenge in society (Statham, 2016b). Berry’s approach considers that societies support multiculturalism and immigrants have the liberty to select how they want to participate in their relations with the residents (Lu et al., 2012). Aspects of acculturation such as knowledge, networks and language in the host country have an impact on immigrants’ entrepreneurial opportunities (e.g. Aliaga-Isla and Rialp, 2012; Bolivar-Cruz et al., 2014) and thus can influence immigrants’ economic and social integration. Discrimination, cultural barriers and length of time in the host country (Slavnic, 2013; Wang, 2013) may also affect immigrants’ economic and social integration. To explore immigrants’ economic and social integration, the next section introduces immigrants’ breaking strategies to examine their acculturation through economic activities.

2.2 Immigrants’ breaking strategies

Immigrants use breaking strategies as a tool for economic integration by developing ventures that offer products focused on ethnic markets, products transformed for middleman markets and products that conform with public preferences (Ram and Jones, 1998; Lassalle and Scott, 2018). Literature frames such strategies as breaking-in, breaking-out and breaking-through.
Breaking-in corresponds to the strategies that immigrant entrepreneurs adopt to enter an ethnic niche or enclave market (Engelen, 2001; Slavnic, 2012; Lassalle and Scott, 2018) or introduce new operations in the market in a specific geographic area (Slavnic, 2012). Breaking-out refers to the strategies that immigrant entrepreneurs develop to break-out from their exclusive reliance on ethnic markets to middleman or mainstream markets (Ram and Hillin, 1994; Ram and Jones, 1998; Engelen, 2001; Basu, 2011). It also includes their diversification strategies to remain within the ethnic enclave while broadening their product and service offerings to the existing ethnic community (Lassalle and Scott, 2018). With a breaking-out strategy, immigrant entrepreneurs access more profitable ethnic niche markets (Rusinovic, 2008) or ethnic enclaves (Waldinger, 1993; Zhou, 2004) to guarantee their businesses’ survival (Smallbone et al., 2010). Breaking-through refers to strategies targeting national and global ethnic markets that provide a more extensive geographical reach and more profit margins (Basu, 2011).

Breaking strategies are investigated from different perspectives, including ethnic minority businesses (Ram and Hillin, 1994; Ram and Jones, 1998), ethnic strategies (Waldinger et al., 1990), market strategies (Basu, 2011), business work strategies (Slavnic, 2012), mixed embeddedness (Lassalle and Scott, 2018) and structuration theory (Griffin-El and Olabisi, 2018). Griffin-El and Olabisi (2018) introduce breaking boundaries as processes when entrepreneurs’ actions break from socially constructed boundaries. These processes comprise of opportunity identification, business exploration and business execution. While this literature is important for understanding the entrepreneurial agency in shaping opportunities and businesses, this stream of literature does not investigate the entrepreneurial opportunity development process. Shifting focus from the creation of a business to the development of the opportunity is necessary for identifying entrepreneurial actions that occur for formulating an entrepreneurial idea as individuals create social inclusion and enter the labor market.

This paper specifically relies on the literature on breaking-in and breaking-out (Ram and Hillin, 1994; Ram and Jones, 1998; Engelen, 2001; Basu, 2011; Slavnic, 2012; Lassalle and Scott, 2018; Griffin-El and Olabisi, 2018) to advance our understanding of immigrants’ economic and social integration processes. Next, we introduce the creation perspective of an entrepreneurial opportunity since literature signals its potential in uncovering immigrants’ integration processes.

### 2.3 Immigrants’ opportunity creation process

The literature on migrants’ entrepreneurial opportunities has different views including opportunity structure (Aldrich and Waldinger, 1990), opportunity discovery and opportunity creation (for comprehensive reviews, see Alvarez and Barney, 2007, 2013). This paper adopts the creation view of opportunity, which suggests that the process of developing an opportunity takes place through the actions of an entrepreneur and through interactions with the context (Alvarez and Barney, 2007, 2013; Dimov, 2007; Short et al., 2010). In a similar vein, opportunities available to immigrant entrepreneurs are formed by contextual circumstances (Aldrich and Waldinger, 1990; Evansluong, 2016). Thus, opportunities are not objective and independent, but are instead constructed with the entrepreneurs’ actions in interacting with the context (Fletcher, 2006; Short et al., 2010; Wood and McKinley, 2010). The opportunity creation process starts by triggering an entrepreneurial idea (Davidsson, 2015; Vogel, 2016) which is blurred and incomplete (Dimov, 2007; Wood and McKinley, 2010). As the process unfolds, the idea is shaped and refined and eventually the opportunity is objectified into a product, service or venture (e.g. Korsgaard and Anderson, 2011; Vogel, 2016).

The opportunity creation process occurs in a non-linear and iterative manner (Alvarez and Barney, 2007; Dimov, 2007, 2011); it continues evolving throughout the lifecycle of a venture (Evansluong and Ramirez Pasillas, 2019). This opens the possibility of investigating specific ways in which economic and social integration occurs when employing breaking-in and breaking-out in the opportunity creation process in an attempt to generate the necessary knowledge and support to formulate entrepreneurial ideas.
3. Research methodology
In order to understand immigrants’ integration, we chose an inductive case study of four immigrant entrepreneurs based in Sweden and carried out 60 interviews (Miles and Huberman, 1984). The inductive case study method is useful for this purpose since it considers the influencing actors and their context according to the phenomenon being investigated (Gioia et al., 2013). Following Pratt (2009) and Miles and Huberman (1984), an inductive case study method helps in identifying key themes by employing a content analysis strategy for theory-building purposes. The case study also followed a process-oriented approach (Coviello and Jones, 2004; Langley, 1999) to reconstruct the integration and opportunity creation processes. The unit of analysis was the opportunity creation process which evolves through interactions between immigrant entrepreneurs and different actors in the host country in line with Dimov (2007, 2011).

3.1 Data collection
The case study design used a purposeful sampling strategy (Pratt, 2009; Gartner and Birley, 2002) and Eisenhardt’s (1989) case selection criteria. It included four cases of immigrant entrepreneurs of Middle Eastern, African and Latin American origins who established businesses in Jönköping, Sweden (see Table I). Guided by Pettigrew’s (1990) cases of extreme situations, these four countries of origin were selected to study the integration process because these are the most separated and marginalized groups in Sweden (Nekby, 2012). African and Latin American immigrants represent the lowest share, whereas Middle Eastern immigrants account for the highest share of foreign-born entrepreneurs in Sweden (Swedish Agency for Economic and Regional Growth, 2013). This combination helped to study how immigrants moved from being separated to integration through entrepreneurship.

Sweden is a relevant context to study integration since it is one of the countries that has received the largest number of immigrants relative to the size of its population (see Statistics Norway, www.ssb.no/). In Sweden, the government pays immigrants to learn the Swedish language, which stimulates and facilitates acquiring a new language (www.folkuniversitetet.se). In addition, Jönköping is a county in Sweden where small businesses have the greatest growth ambitions (see Swedish Agency for Economic and Regional Growth, https://tillvaxtverket.se). Jönköping is also among the counties that hosts the largest proportion of immigrant entrepreneurs (see Swedish Agency for Economic and Regional Growth, https://tillvaxtverket.se).

To achieve a high level of data richness, and reduce the risk of missing critical information, the case study focused on the integration process and was carried out over three years (Van de Ven, 1999). The primary data consisted of 60 interviews with entrepreneurs and their immediate networks such as family members and friends. This was important to triangulate data from multiple sources of evidence (Miles and Huberman, 1994). Each interview lasted 40–60 min. All interviews were recorded and transcribed verbatim between 2014 and 2017. The interviews were conducted in both English except for the interviews with two entrepreneurs. Entrepreneurs 1a and 1b felt more comfortable communicating in Swedish than in English, so they were interviewed in Swedish to capture the richness of information (Stake, 1995). These interviews were transcribed in Swedish and translated into English. The main author of the paper who conducted all the interviews speaks both English and Swedish fluently. The secondary data consist of observations at the businesses, their websites and Facebook pages, phone calls, brochures and local newspapers.

Semi-structured, open-ended interviews were conducted in three phases. The first phase focused gathering background information of the entrepreneurs and their businesses. The entrepreneurs shared the stories of their lives and their entrepreneurial journeys to generate
<table>
<thead>
<tr>
<th>Case</th>
<th>Location</th>
<th>Year of establishment</th>
<th>Type of Business</th>
<th>Founders</th>
<th>Informants</th>
<th>No. Interviews</th>
<th>Secondary data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jönköping</td>
<td>2004</td>
<td>Lebanese Restaurant</td>
<td>Entrepreneur 1a of Lebanese origin</td>
<td>Entrepreneur 1a</td>
<td>3</td>
<td>Observations</td>
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<td></td>
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<td>Entrepreneur 1b of Syrian origin</td>
<td>Entrepreneur 1b</td>
<td>5</td>
<td>Websites</td>
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<td>Entrepreneur 1b's daughter</td>
<td>2</td>
<td>Facebook</td>
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<td>Entrepreneur 1a and 1b's co-worker</td>
<td>2</td>
<td>Brochures</td>
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<td></td>
<td></td>
<td>Observations</td>
</tr>
<tr>
<td>2</td>
<td>Jönköping</td>
<td>2009</td>
<td>Beauty salon and African food store</td>
<td>Entrepreneur 2 of Cameroonian origin</td>
<td>Entrepreneur 2</td>
<td>12</td>
<td>Observations</td>
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<td>Entrepreneur 2's friend</td>
<td>1</td>
<td>Websites</td>
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<td></td>
<td>Entrepreneur 2's sister</td>
<td>2</td>
<td>Facebook</td>
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<td>Entrepreneur 2's cousin</td>
<td>8</td>
<td>Local Newspapers</td>
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<td>Entrepreneur 2's mentor</td>
<td>1</td>
<td>Phone calls</td>
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<td>Family events</td>
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<td></td>
<td></td>
<td>Observations</td>
</tr>
<tr>
<td>3</td>
<td>Jönköping</td>
<td>2011</td>
<td>IT programming</td>
<td>Entrepreneur 3a of Mexican origin</td>
<td>Entrepreneur 3a</td>
<td>8</td>
<td>Observations</td>
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<td>Entrepreneur 3b of Mexican origin</td>
<td>Entrepreneur 3b</td>
<td>6</td>
<td>Websites</td>
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<td>Websites</td>
</tr>
<tr>
<td>4</td>
<td>Jönköping</td>
<td>2012</td>
<td>IT programming</td>
<td>Entrepreneur 4a of Mexican origin</td>
<td>Entrepreneur 4a</td>
<td>3</td>
<td>Facebook</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Entrepreneur 4b of Mexican origin</td>
<td>Entrepreneur 4b</td>
<td>3</td>
<td>Facebook</td>
</tr>
</tbody>
</table>

Total 60
a narrative description of the cases (cf., Miles and Huberman, 1994). Information on the opportunity creation process was obtained in the second phase, especially the entrepreneurs’ actions in developing entrepreneurial ideas through interactions between them and their home and host countries. The researchers identified aspects connected to integration (e.g., language, cultural norms and interaction with the local population). The third phase emphasized on asking specific questions regarding the influence of different aspects of integration (e.g., languages) on the opportunity creation process (e.g., What language do you use in everyday business? And what changed when you started using the Swedish language in everyday business?).

3.2 Data analysis
The data analysis was conducted with a content analysis strategy by performing detailed readings of the raw data to derive concepts and themes made from the raw data. These concepts and themes were used for developing a data structure to show how they progressed from first-order to second-order codes and to aggregate dimensions and a model of interpretations made from the raw data as suggested by Gioia et al. (2013) (see Figure 1). Following Gioia et al. (2013), the analysis followed four steps.

Step 1. The researchers constructed the case narrative to understand relevant events and issues following a chronological order which helped them identify emerging themes in each case (Miles and Huberman, 1994). For example, the entrepreneurs talked about their lives in their home countries and in Sweden, which provided a general overview of the acculturation process. Details about their entrepreneurial journeys provided relevant aspects of the economic and social integration during the opportunity creation process.

Step 2. The researchers identified entrepreneurial actions and events that contributed to developing entrepreneurial ideas and their connections to the integration process by reading the interview transcripts several times. After discussing the themes that were repeated, the researchers agreed to the primary codes (first-order codes) with wording that was close to the language used in the interview transcripts, for instance acting upon being socially excluded or acted upon being discriminated (see Figure 1, first-order codes).

Step 3. The researchers interpreted the first-order codes by going back and forth between the codes and literature on entrepreneurial opportunity creation, immigrant entrepreneurship, breaking processes and acculturation (also suggested by Marshall and Rossman, 1995). Primary codes that appeared frequently were selected and grouped into themes. The themes

![Diagram of data structure with codes and themes](image_url)
were then organized at a more abstract level (Strauss and Corbin, 1998). This process resulted in second-order codes (see Figure 1, second-order codes).

**Step 4.** The researchers related the second-order codes to the relevant literature and further specified aggregate dimensions to show the links between integration and opportunity creation. As suggested by Oswick et al. (2011), the researchers relied on the “Orthodox Domestic Theory” approach (p. 324) that comprises conceptual borrowing and blending to produce a revised theory through an incremental process of reinforcing previous knowledge (i.e. breaking-in, breaking-out) and extending such knowledge (i.e. breaking-ice). This resulted in a data structure with overarching theoretical aggregate dimensions (also suggested by Marshall and Rossman, 1995) that show the intertwining of acculturation and opportunity creation (see Figure 1, aggregate dimensions). The analysis led to developing an inductive model of integration as an opportunity creation process organized in three phases: breaking-ice, breaking-in and breaking-out. The model shows how the how the integration unfolds as the opportunity creation evolves when immigrant entrepreneurs formulate entrepreneurial ideas as a response to economic and social segregation.

### 4. Results

The model that emerged is shown in Figure 2. We found evidence that immigrant entrepreneurs accomplish economic and social integration in the local community when they engage in three phases – breaking-ice, breaking-in and breaking-out. These phases contain entrepreneurial actions that are nurtured by the immigrant entrepreneurs in the four cases. Table II presents the case evidence for each element in the data structure.

#### 4.1 Breaking-ice

Breaking-ice involves triggering an entrepreneurial idea to overcome immigrant disadvantages. This is a result of two entrepreneurial actions – creating an entrepreneurial idea as a way to be socially included and creating an entrepreneurial idea as a way to enter the labor market in the host country.

“Creating an entrepreneurial idea as a way to be socially included” is a result of social exclusion in the host country. Immigrants reflected that their experiences of being isolated moved them to act and create entrepreneurial ideas. The immigrant entrepreneur in Case 2 stated – “I want to feel Swedish, […] but nothing works […] I had to start my own business […] I thought about selling (African) accessories.” Because immigrants do not have connections or fit in the culture of the host country, they decide to become entrepreneurs and create entrepreneurial ideas.

“Creating an entrepreneurial idea as a way of entering the labor market” is a result of acting on labor market discrimination in the host country. Negative experiences in the job market led immigrants to start new ventures. For instance, the entrepreneur in Case 2
<table>
<thead>
<tr>
<th>First-order Codes</th>
<th>Second-order Codes and interview quotes</th>
<th>Aggregate Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting upon being socially isolated</td>
<td>Case 1. Entrepreneur 1b. “Swedish people as they are very kind but…a little bit distant. When you come closer, they will be suspicious […] that is why I opened my first business […] I had an idea long time ago to open a Lebanese restaurant”</td>
<td>Breaking-ice</td>
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<tr>
<td>Case 2. Entrepreneur 2. “I want to feel like I’m Swedish, but I do not see myself fit in society because no matter how hard I try, nothing works […] And I knew I had to start a business […] I thought what I need myself, I need product for (African) hair”</td>
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<td>Case 3. Entrepreneur 3a. “When Swedes see you as a tourist, they can be friendly; however, when they see that you live here, they are not that open […] this is small town, you cannot really just go, knock on the door, and say we do business […] then I established myself as a sole trader in 2007 […] and the idea was to continue to do IT programming with Mexico”</td>
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<td>Case 4. Entrepreneur 4a. “I would say hello to everybody I met, but not many people would say hello to me so when I first arrived I realized that people were colder here […] during my first year when I was waiting for my social security number I was thinking about some business ideas that I could do in Sweden […], for example, I looked into bringing silver jewelry from Mexico to Sweden”</td>
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<tr>
<td>Creating an entrepreneurial idea as a way to be socially included</td>
<td>Case 1. Entrepreneur 1a. “It is very difficult to explain how I feel discriminated against. It is not direct but indirect. You can feel it from the way the person looks at you […] I sent out at least 100 CVs without any answer. It was very difficult. I tried, but I was not offered any jobs […] Jönköping had no Lebanese restaurant so we thought we would try it’. Then, I thought I would create my own job”</td>
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<td>Case 2. Entrepreneur 2. “It is hard for me to come to the job market with my (foreign) name. I had good qualifications, but my name makes it really difficult for the employer to accept me. I was angry […] and I started my own business […] I thought about a shipping company between Sweden and Africa (Cameroon)’. “Many people would rather employ Swedes because it is easy for them to accept each other and communicate, and there is less of a cultural clash […] I told myself that I had to create my own job […] I had idea to sell African clothes that have strong colors”</td>
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Table II. Representative quotes underlying second-order themes
<table>
<thead>
<tr>
<th>First-order Codes</th>
<th>Second-order Theme</th>
<th>Aggregate Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulating an entrepreneurial idea by relying on ethnic peers</td>
<td>Case 1. Entrepreneur 1b. “We had close friends from Lebanon who had Lebanese restaurants in Stockholm. We often went there to meet them […] We learned how we could prepare Lebanese menu from there […] and through Lebanese restaurants on the internet”</td>
<td>Breaking-in</td>
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<tr>
<td></td>
<td>Case 2. Entrepreneur 2. “We, Cameroonians, meet regularly […] for example, at parties, birthday parties, wedding parties […] We discussed the market share, the types of customers, and how the customers would need our products […] I sent African friends in town text messages on what products they would like to have for their hair and skin”</td>
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<td>Case 3. Entrepreneur 3a. “In 2005, when Carlos, Hugo and I were studying in the master’s program, we spent time in the labs together […] We talked about the idea of running a business related to IT, and how to go further with the idea […] I suggested to offer IT programming to Mexican companies…through my parents’ company in Mexico”</td>
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<td>Case 4. Entrepreneur 4a. “I told my husband that if I could develop a website, someone else could do it in Mexico or we could do it together. We could open a company and my husband said, “Why not talk to our Mexican friend here in Jönköping?” […] we meet often with our close Mexican friends […] we discussed many things […] about Sweden and Mexico […] We met a friend from Mexico and asked him to join us for the company […] We discussed developing our uniqueness in the business concept. We think the business concept should be the combination of price, quality and efficiency”</td>
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(continued)
### Table II.

<table>
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<tr>
<th>First-order Codes</th>
<th>Second-order Theme</th>
<th>Aggregate Dimension</th>
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<tbody>
<tr>
<td>Refining the entrepreneurial ideas by connecting with native customers</td>
<td>Case 1. Entrepreneur 1a. “Because of the language, I learned a lot of terms and better Swedish. We had to explain to customers everything in Swedish regarding the dishes in the menu. Sometimes they have allergies, I had to explain the ingredients in each dish. We took away nuts from the dishes because a lot of people were allergic”</td>
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<tr>
<td>Case 2. Entrepreneur 2. “When I insist on talking in English, customers speak little […] When I speak Swedish, customers feel more comfortable talking […] I understand more what their needs are […] so I offered hair extension services to them”</td>
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<tr>
<td>Case 3. Entrepreneur 3a. “I contact clients using only Swedish […] I saw that speaking Swedish was a necessity […] to understand the local market. We started offering IT support for private people in their home, they did not need to leave their place; they just called us, and we would go there to fix the problem for them”</td>
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<td>Case 4. Entrepreneur 4a. “When I arrived here in Sweden […] I decided to start studying Swedish. This helped me communicate with my business partners and prospective clients”</td>
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<tr>
<td>Practicing the local language to gain insights on the native customers’ needs</td>
<td>Case 1. Entrepreneur 1a. “I came to Sweden when I was almost 14 years old, and I have been here for 35 years. […] We changed a lot […] for example, we had to take away lamb meatballs and frogs. They were very special, but I figured out that the Swedish people didn’t like them, so we removed them from the menu”</td>
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<td>Case 2. Entrepreneur 2. “When the business started rolling, […] I realized that not only Africans needed these products but also Swedish people and South Americans […] I needed to make it more professional (in a Swedish way) because most of the Swedes wanted to feel relaxed in a nice setting like they experienced in other Swedish salons […] I made changes to my hair extension service: brought in large mirrors, comfortable chairs […] I took pictures of the Swedish customers. I made it as the main service”</td>
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<td>Case 3. Entrepreneur 3b. “A friend of mine told me that I need to play golf […] it was not about sports […] there I could meet people […] he explained […] I started playing (squash). People in the club are really open. They like talking about problems in the office […] based on that we added new services […] for example, we changed the booking system for local customers or offered service of fixing computers at home”</td>
<td>Breaking-out</td>
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<td>Earning local acceptance by accommodating the native customer preferences</td>
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stated, “My husband thought that was racism. It’s not easy when a person has dark skin and enters the job market […] I had the idea to do hair extensions, which is not so popular here (in Sweden).” Immigrants created entrepreneurial ideas as a solution to the difficulties that they faced in finding employment in the host country. At the start of the opportunity creation process, immigrants built entrepreneurial ideas as a way of establishing connections with the host country.

4.2 Breaking-in
This study’s findings suggest that once immigrant entrepreneurs have gone through the breaking-ice phase, they move to the breaking-in phase. In this phase, immigrant entrepreneurs articulate their entrepreneurial ideas by bonding with the ethnic community. This is a result of shaping an entrepreneurial idea by socializing with the ethnic community. Through socializing, immigrant entrepreneurs rely on their ethnic peers to advance their entrepreneurial idea and relate it to their ethnic cultural background.

Shaping entrepreneurial ideas by socializing with the ethnic community involves formulating an entrepreneurial idea by relying on their ethnic peers. Such reliance includes drawing inspiration from ethnic peers’ businesses, addressing their countrymen’s needs and communicating with them in their immediate co-ethnic networks. For instance, the entrepreneur in Case 2 said, “I told my (African) friend Rita and my cousin Mark that I could...
combine hair, skin care and food [...] for the African community.” Entrepreneurs re-purposed their existing social relationships with their ethnic peers from being merely acquaintances or friends to obtaining business support to articulate their ideas in the host country. Socializing constituted a variant of immigrants’ entrepreneurial actions advancing the opportunity creation process.

4.3 Breaking-out
This research suggests that breaking-out corresponds with reorienting entrepreneurial ideas by desegregating locally. It involves two variants of entrepreneurial actions: refining an entrepreneurial idea by connecting with native customers and tailoring an entrepreneurial idea for the local community.

Refining an entrepreneurial idea by connecting with native customers implies that immigrant entrepreneurs practice the local language to gain insights into native customers’ perspectives and earning local acceptance by accommodating customer preferences. Practicing the local language to gain insights into native customers’ preferences refers to immigrant entrepreneurs’ efforts and ability to use the local language in everyday life. Immigrant entrepreneurs’ use of the host country’s language influences their access to local information and adapting their ideas to native consumer preferences. A cousin of an entrepreneur in Case 2 recalled, “The business helped develop her Swedish language and [...] her language helped her business too [...] She was able to understand what the customers needed. The (Swedish) ladies would ask her about products for the hair in Swedish.” Thus, immigrant entrepreneurs interacted with local customers daily. They spoke the local language to create a welcoming atmosphere for their customers and interacted with them using their entrepreneurial ideas as a point of departure. In this process, their entrepreneurial ideas were refined.

Earning local acceptance by accommodating native customers’ preferences refers to immigrants’ efforts to adapt to the host country’s lifestyle and customs by participating in the life of the host country through, for instance, getting involved in activities and events, eliminating foreign characters from the venture and product names, and adopting local standards. The entrepreneur in Case 3 stated, “Our office is in Science Park where we learn from other Swedish start-up companies [...] We tried to do everything, from designing our leaflets to handling customer support in Swedish ways [...] For example, here in Sweden, you need to book a time for everything. Another example, we call customers after a few days to ask how everything is, if they need something else.” By learning from their peers and meeting local people through social activities, immigrant entrepreneurs understood the mindsets of the local people, which helped them fine-tune their entrepreneurial ideas.

Tailoring entrepreneurial ideas for the local community involves increasing a sense of belonging in the host country by adapting entrepreneurial ideas to fit the needs of the local community. Increasing sense of belongingness to the local community by adapting the entrepreneurial ideas refers to immigrant entrepreneurs’ efforts to confirm their feelings of belonging to the local community. The entrepreneur in Case 3 recalled, “With my acquisition of the Swedish citizenship, [...] I feel like I wear the same T-shirt as my other Swedish mates [...] We gradually tailored our computer reparation service for the local people.” This sense of belonging influenced how entrepreneurial ideas evolved from focusing mainly on serving the ethnic community to serving different customers in the host country. For example, the entrepreneur in Case 1 mentioned, “We don’t have many Lebanese customers. We live in Sweden; we have to focus on addressing the needs of the Swedes.” When immigrant entrepreneurs developed a sense of belonging to the local community, they created their own space in local life. They felt more accepted and felt a part of the host society.
5. Overview of the model
Research on integration studies often discuss the economic and social dimension of immigrants integration to their societies separately, this study proposes an inductive model of economic and social integration as an opportunity creation process with three ongoing and iterative phases (see Figure 2): the breaking-ice phase, where immigrants trigger an entrepreneurial idea to overcome migrant disadvantages, the breaking-in phase, where immigrants articulate an entrepreneurial idea by bonding with the ethnic community, and the breaking-out phase, where immigrants reorient the entrepreneurial idea by desegregating locally. These phases show that the resulting economic and social integration to the local community occurs as a result of an acculturation agency. By incorporating social situational antecedents of immigrant entrepreneurs, the model offers an account of individual agency toward integration. The model captures “how” individual agency generates energy and support to move from a segregated position toward an integrated position in the local society. As follows, we elaborate on these phases by relating them to literature on acculturation, breaking and opportunity creation.

5.1 Breaking-ice phase
Immigrants in this study felt segregated in the host country due to ethnic discrimination, unemployment, low education, unfitted qualifications, language difficulties and not fitting into the host country’s culture. This explains why some immigrants cannot establish both economic and social connections to the host community while at the same time, lose ties to their home country. This situation results in the marginalization of immigrants (e.g. marginalization strategy, Berry, 1997). Being marginalized triggers immigrants’ entrepreneurial actions: they decide to become entrepreneurs and create entrepreneurial ideas to break (the) ice and to establish connections with the host country (e.g. Portes and Zhou, 1992; Portes et al., 2002; Van Oudenhoven and Ward, 2013). The breaking-ice phase shows that besides market pull or resource push (cf., Vogel, 2016) specific social situational antecedents related to segregation and discrimination also stimulate the conception of an entrepreneurial idea.

5.2 Breaking-in phase
Literature on immigrant entrepreneurship suggests that by “breaking-in,” immigrants connect their businesses to their ethnicity, background, bond with their ethnic peers and rely on ethnic market (e.g. Engelen, 2001; Slavnic, 2012; Lassalle and Scott, 2018). This study takes a step further to show that immigrant entrepreneurs formulate entrepreneurial ideas by relying on their ethnic peers. As a result, immigrants prioritize connections with the ethnic community over the interactions with the host community to articulate the entrepreneurial idea. In other words, entrepreneurial actions lead to immigrant’s separation to the host community (e.g. separation strategy, Berry, 1997, 2003). This means that immigrant entrepreneurs prioritize interactions and relations with their ethnic peers and avoid building connections with local natives. This also implies that immigrant entrepreneurs use their energy and available time to assure that the product is suitable for the ethnic community. At the same time, when immigrant entrepreneurs socialize with the ethnic community, they create an opening for building understandings on the new host society through the lens of their ethnic peers.

5.3 Breaking-out phase
To move forward with the entrepreneurial journey, immigrant entrepreneurs refine the entrepreneurial idea to offer goods and services to the wider community and rely on inter-ethnic networks and markets (e.g. Waldinger et al., 1990; Ram and Jones, 1998). To do
this, immigrant entrepreneurs prioritize interactions with the inter- over the intra-ethnic community. The breaking-out phase includes entrepreneurial actions that lead to immigrants' integration into the host society through improving the immigrants' command of the host country language, building connections with the local community and increasing a sense of belonging (cf., Berry, 1997; Engelen, 2001). First, during the breaking-out phase, immigrant entrepreneurs integrate into the host society by practicing the local language, which helps them better understand local customers' preferences (cf., Fang et al., 2013; Kariv et al., 2009). Since immigrant entrepreneurs strive to gain knowledge on customers' preferences (and accommodate them in their product offerings), they realize that communication in the local language provide more detailed and nuanced information.

Second, during the breaking-out phase immigrant entrepreneurs create local networks to connect with the local natives (e.g. Jack and Anderson, 2002; McKeever et al., 2015). Immigrant entrepreneurs rely on local contacts to attract local native customers. They also use their contacts for refining their entrepreneurial ideas with features favored by local natives. Third, the degree of sense of belonging to the local community influences how immigrant entrepreneurs create entrepreneurial opportunities (e.g. Jack and Anderson, 2002; McKeever et al., 2015). The breaking-out phase also shows that besides market pull or resource push (cf., Vogel, 2016), the sense of belongingness influences how immigrant entrepreneurs (re)orient their entrepreneurial ideas. Entrepreneurs emphasize the importance of being part of the local community or feeling at home while adapting their entrepreneurial ideas to broader local customers.

6. Conclusions
The aim of this paper is to contribute to the ongoing debate about immigrants' economic and social integration into their local society through immigrant entrepreneurship. This paper showed that the integration or acculturation process of immigrant entrepreneurs took place as they triggered, articulated and reoriented their entrepreneurial ideas in the breaking-ice, breaking-in and breaking-out phases. The suggested model and its phases contribute to the emerging work on acculturation and breaking strategies in the context of opportunity creation.

Specific actions in the breaking-ice process constitute acting on being socially excluded and discriminated against in the host country's labor market. The resulting entrepreneurial actions influence individuals to become acculturated entrepreneurs. Triggering an entrepreneurial idea corresponds to the immigrants' “aha” moment or the self-realization that the only way to improve one's situation is by doing something about it. In the “aha” moment, the immigrant sparks entrepreneurial ideas suitable for the local community and decide to become an entrepreneur. Acculturation thus stems from the entrepreneurial actions that immigrants take for facing their socio-economic situation and producing sociocultural adaptation (Berry, 2009).

This paper showed that articulating entrepreneurial ideas among the ethnic community functioned as a breaking-in process in which an entrepreneur expressed and formed entrepreneurial ideas. Articulation is also a tool for exploring and validating the entrepreneurial idea's components (e.g. Dimov, 2007; Wood and McKinley, 2010; Vogel, 2016). However, the specific context of this articulation is given by the immigrants' segregation. Immigrant entrepreneurs build personal networks with their ethnic peers that provide friendship and, eventually, professional support. Thus, interaction with the ethnic community is relevant for sustaining entrepreneurs' original culture by providing social safe space for articulating their entrepreneurial ideas.

Finally, this paper bridges the gap in literature on breaking-out strategies in immigrant entrepreneurship (e.g. Basu, 2011; Lassalle and Scott, 2018) and entrepreneurial opportunities (e.g. Dimov, 2007; Vogel, 2016) by illustrating how the breaking-out process
intertwines with reorienting entrepreneurial ideas. The breaking-out process acts as a mechanism for immigrant entrepreneurs to actively engage with the local natives.

Our findings have several implications for practitioners and policy makers. If immigrants aspire to start a business, it is important to consider the intertwinement of the acculturation and opportunity creation processes. Although entrepreneurial immigrants rely on their ethnic peers to start the acculturation process, it is important to perform the economic activities with a good blend of natives and foreigners. Formulating an entrepreneurial idea provides immigrant entrepreneurs with a real-life context to practice the new language, make new acquaintances and build knowledge of the new host society. Thus, mentorship programs which support immigrant entrepreneurs in expanding their local networks in the host country will be beneficial in facilitating the integration process while providing them business support. This will also help immigrant entrepreneurs refine their entrepreneurial ideas through interacting with the local community. When immigrant entrepreneurs participate in social and business activities in the local community, they will have access to additional arenas to learn and use the local language and feel a part of the host country. Such arenas will help them developing their businesses further.

Despite its contribution to immigrants’ integration process, this paper has several limitations. First, the cases selected for the study include four opportunity creation processes of different lengths of time (ranging from 6 to 14 years). Prior research proposes that time matters for entrepreneurship and the temporal context in which entrepreneurs operate (Lippmann and Aldrich, 2015). Integration manifest in various forms, “including alternation between cultural ways, and/or a merging of them” (Berry, 2009, p. 366). Future research could explore cases with similar temporal contexts and examine specific positive and negative effects of breaking actions occurring in the opportunity creation. This can help understand the contextual circumstances according to the time-framework of the integration process.

Second, this study selected immigrant entrepreneurs with four countries of origin (i.e. Cameroonian, Lebanese, Mexican and Assyrian) developing entrepreneurial ideas in Sweden. Future research can investigate integration as an opportunity creation process from a single country of origin to a single country of residence. Such a research design will allow a closer look at developing language abilities and cultural understandings in relation to the home cultural background. Such design will permit following the development of a new cultural understanding and how the culture (i.e. specific values, beliefs and customs) of the home country influence the integration process.

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Further reading

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Manifestations of social class and agency in cultural capital development processes
An empirical study of Turkish migrant women entrepreneurs in Sweden

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Abstract
Purpose – While migrant women entrepreneurs (MWE) have been studied extensively through the lenses of gender and ethnicity, social class, as an axis of difference, received scant attention in entrepreneurship and migrant enterprise literature. The purpose of this paper is to make an intersectional analysis on migrant women’s cultural capital development processes on the basis of not only gender and ethnicity, but also class relations.

Design/methodology/approach – The study draws on empirical insights generated through listening to the life story narratives of 17 women entrepreneurs from Turkey. This is a small, yet diverse group consisting of women who followed their male kin who have migrated to Sweden in the late 1960s as a labour force, and of highly educated political refugee women who have migrated to Sweden following the military coup in Turkey in the 1980s.

Findings – By linking pre-migration and post-migration lives through Bourdieusian class analysis, the analysis yielded three distinct types of habitus of the women-intersectional identity constructed through interweaving of certain historical and cultural practices and conditions, labelled as women (immigrant) entrepreneurs, migrant (women) entrepreneurs and hybrid entrepreneurs. Life stories demonstrated the ways the MWE relationally defined, and in turn, contested being the right kind of entrepreneur drawing on their type of habitus and forms of cultural capital within the rules of the game in the specific context of entrepreneurship.

Originality/value – This study shows how MWE generate diverse, yet at times similar, but historically and culturally conditioned responses in actively shaping the relationship between entrepreneurial resources and context-specific structural powers and aspects. This way, the study calls for enriching the extant debate on migrant women entrepreneurship in two ways. First, it suggests that the strategic fit between resources and opportunities does not entail an automatic and arbitrary process. Rather, it takes an effort and contestation carried out by the entrepreneurial actors, among whom the individual entrepreneur is the primary actor. In particular, it draws attention to the conditions of possibilities for agency as a result of struggle and intersectional power relations: social class, ethnicity and gender, which provide a differential degree of powers to the individual entrepreneur.

Keywords Immigrants, Identity, Human capital, Women entrepreneurs

Introduction
Migrant women entrepreneurs (MWE) have been studied extensively through the lenses of gender and ethnicity in entrepreneurship and migrant enterprise literature (Chreim et al., 2018; Essers and Benschop, 2007). Still, emerging studies show that there is a room for developing the existing analyses by contextualising diverse experiences of ethnic groups (Ram et al., 2008) and intra-ethnic variations (Vershinina et al., 2011) to articulate the multiple routes (Collins and Low, 2010) and outcomes of migrant enterprise (Romero and Valdez, 2016). Building on that, this study suggests that the observed diversity of routes, paths and outcomes among MWE stems not only from structural powers and resources, but also from the shared patterns of the individual entrepreneur’s
life trajectories. Therefore, this study brings forward the importance of a focussed analysis on the micro-theoretical level of migrant businesses to address the dynamic and interlinked relationship between individual, group and structural imperatives (Ram et al., 2017). Taking a step further, the study grasps these relations by going beyond the informal sphere of migrant community, and the formal sphere of markets or the regulatory environment and by linking them with the individual entrepreneur’s agency.

The specific focus is on social class that has so far received a scant attention in the research of MWE (Villares-Varela, 2018). Historically, social class and particularly class resources were considered as being less crucial than ethnicity in migrant entrepreneurship research analysis until 1970s. As Ram et al. (2017) maintain, this is due to the relatively homogenous groups of migrant entrepreneurs with modest educational and financial backgrounds. As of today, diverse effects of social class in shaping thoughts and actions in organisations are well acknowledged (Loignon and Woehr, 2018). One of the most interesting findings of recent migration research are the diversity of resources and associated paths towards different ways of enterprising. For instance, Collins and Low (2010) highlight that, “Some migrants arrive in Australia as successful business migrants with ample start-up capital. Other migrants arrive with high professional and educational qualifications enabling them to fill labour shortages in the corporate sector, though minority migrants often reach an ‘accent ceiling’ [...]” (p. 102).

Gendered nature of migration has also received little attention until very recently (Ram et al., 2017). Since the burgeoning literature in women entrepreneurship did not incorporate migrant women’s enterprising experiences, the migrant and ethnic minority literature largely remained limited in documenting women’s supportive role in ethnic businesses. These discussions around class, ethno-cultural resources and gender provide important insights, and they tend to pay greater attention to structural and contextual predicaments and opportunities. There are fewer, but significant empirical studies bringing forward the actors’ points of view, agency and resulting relational strategies to understand the micro-political and theoretical underpinnings of migrant women’s entrepreneurship (Essers and Benschop, 2007; Essers et al., 2013; Knight, 2016; Cederberg and Villares-Varela, 2019; Pio, 2005). Accordingly, this study aims to make an intersectional analysis on migrant women’s capital development processes on the basis of not only gender and ethnicity, but also class relations. Moving forward, this study primarily examines how social class is manifested in daily practices of MWE, how they experience class often without even talking about it, and how they implicitly talk about it through seeking legitimacy for their diverse cultural formations.

This study draws on class analysis offered by Cultural Sociologist Pierre Bourdieu (1987), and feminist readings of his practice theory (Skeggs, 1997). Such theoretical framework offers a way to address the limitations of existing research and to the diverse societal categories of differences reflected in the cultural and symbolic configuration of social class. Bourdieu viewed social class as a social space where, “the agents who occupy neighbouring positions in this space are placed in similar conditions and are therefore subject to similar conditioning factors” (Bourdieu, 1987, p. 5). In his view, cultural production relations are as important as economic and social relations, because the unequal distribution of cultural and social resources is critical to understand a social phenomenon (Townley, 2014) like entrepreneurship.

This study adopts a twofold conceptualization of class (Bourdieu, 1987). The first dimension encompasses the (un)equal access and (re)distribution of cultural resources and practices causing the actors to have different positions in social space. It manifests itself in different forms and ways of cultural capital development processes (sites of investments as experienced processes, and sites of distinctions as future aspirations). The second one captures women’s agency as a socio-culturally mediated capacity to act, which is produced
and re-produced through their distinct habitus (a shared history, practices and context(s), which marks and guides the entire process of capital development practices) (Al Ariss and Syed, 2011). Thus, the study focusses on the embodied dispositions of MWE as well as on the institutional contexts (the field) of their encounter with capital development processes in order to pay greater attention to the adjustments they make when they acquire and make use of their cultural capital in different ways (Skeggs, 1997). Accordingly, the following research question is posed:

RQ1. How would the class, and a gendered and/or ethno-centred habitus, shape the cultural capital development processes of MWE?

In order to address this research question, the study draws on empirical insights generated by listening to the life story narratives of 17 MWE with Turkish backgrounds, who lived and owned their own businesses in Sweden. The focus is on capturing the cultural and symbolic capital in these narratives, which span a person’s whole life trajectory, her experience (Lamont and Lareau, 1988) and movement across different social fields (Emirbayer and Johnson, 2008).

The structure of the paper is as follows. The first part sets the theoretical framework, which not only unpacks the relevant entrepreneurship literature, but also situates the paper vis-à-vis Bourdieu’s theory of practice and the relevant entrepreneurship literature. It then proceeds to introduce the methodological approach and the tools used for material generation and analysis. These parts pave the way for a discussion on the legitimacy-gaining activities of MWE, which are imbued with their capital development and conversion practices, and their struggle to gain power ultimately. It concludes by stating the theoretical contributions of the study.

Theoretical framework: Bourdieu’s practice theory, capital development approaches and entrepreneurship

Entrepreneurship studies have increasingly focused on the social, discursive and material effects of social class underpinning entrepreneurial processes (Anderson and Miller, 2003; Gill, 2014; Knight, 2016). As one of the earliest accounts, Schumpeter (1955), for example, suggested that, “class members look out into the same segment of the world, with the same eyes, from the same viewpoint, in the same direction” (p. 107). Despite having been suspended for a long time, class analysis was recently revived within entrepreneurship studies. Gill (2014) exhibited the implicit and contradictory logic of entrepreneurial discourse underpinned by class in the USA. She argued that while entrepreneurial success was examined in terms of individualised resources, their collective and historical transfer mechanisms were ignored. This way, class discourse operated as if entrepreneurship was open to everyone, yet only a few of those who started up their businesses were rewarded. In a similar vein, Anderson and Miller (2003) showed that chances of acquiring the necessary resources, growth and profitability prospects would vary in relation to their founders’ classed positions in the social strata. Also, applying a gender approach, some studies have examined how entrepreneurs’ access to certain classed resources, brought different experiences in opportunity recognition (Karataş-Özkan and Chell, 2015), business ownership and performance (Fletschner and Carter, 2008; Shaw et al., 2009). In a recent study, Villares-Varela (2018) showed that the migrant women’s enterprising efforts helped to reproduce, instead of challenge middle- and working-class migrant women’s distinctive forms of class-based femininities and inequalities differently. Moreover, Knight (2016) showed that middle-class MWE with high cultural, e.g., highly educated and professional ones, found it particularly difficult to legitimate their knowledge-intensive and professional businesses in interacting with important resource holders. This study aims to expand these emerging insights basically drawing on Bourdieu’s class analysis, adopting concepts such as field, habitus and forms of capital.
Bourdieu suggests that as people interact in different social fields such as family, workplace, community, institutional environments, etc., they enact strategies to increase their overall value through capital development processes, i.e. the acquisition, conversion, accumulation of rare and valuable resources (Skeggs, 1997). Bourdieu (2008) defined economic capital as income, wealth, financial inheritance and monetary assets; social capital as resources based on connections, group memberships and social relationships; and cultural capital as in three different forms: embodied state: long-lasting dispositions of mind and body like certain manners, attitudes, bodily styles, etc.; objectified state: cultural goods and services, books, buildings, tools/machineries, etc.; institutionalized state: educational and professional qualifications and credentials, etc. Thus, cultural capital not only involves institutionalized forms such as formal education, but also the embodied cultural know-how about how things and systems work, and a sense of taste so that people might fit in the local structure by status and good reputation (Ortner, 2002). Finally, he defines symbolic capital as the form of other types of capital once they are perceived and recognised as legitimate in the practice context.

It is clear that possessing a legitimate form of cultural capital has direct implications on an individual entrepreneur’s sense or ability to fit in socially. But still, this aspect is not widely covered in the entrepreneurial literature. Cultural capital is the most critical form of capital, because its accumulation and convertibility are the most difficult to achieve due to longer time periods required to acquire and transfer it (Prieur and Savage, 2013). Investment in the accumulation of cultural capital is usually made to maximise one’s upward mobility and convert it to legitimacy and prestige (Mohr and DiMaggio, 1995; Prieur and Savage, 2013). As such, it is indispensable for the enactment of social capital, the creation and exploitation of entrepreneurial opportunities locally (Light and Dana, 2013) and transnationally (Drori et al., 2009; Terjesen and Elam, 2009), and the capturing of power relations especially pronounced in the legitimising efforts of entrepreneurial ventures (De Clercq and Voronov, 2009).

The concept of field provides a context-analytic lens to study the capital development practices of MWE. Field is “a set of objectives, historical relations between positions anchored in certain forms of power (or capital)” (Wacquant in Bourdieu and Wacquant, 1992, p. 16), which can be imagined more like market behaviour structured by exchange and competition (Moi, 1991). Actors make sense of their specific situations and associated elements as meaningful, and to follow a course of action that is appropriate to the context (Wacquant, 2014). Yet, this is not given. The concept of habitus is, “a feel for the game makes possible the […] production of […] thoughts, perceptions and actions”. Habitus also provides a much-nuanced understanding of agency conditioned by social signifiers like ethnicity, class and gender. This way, the concept of habitus shares the basic insights of intersectionality perspective stressing that the entrepreneurs become the physical and metaphorical embodiment of the imagined (future) firm (Marlow and McAdam, 2015). Yet, habitus takes a step forward and materializes the notion of embodiment as a compilation of collective and individual historical trajectories, and a complex interplay between the past and present.

In view of the above, womanhood and being a migrant appear as two socially constructed categories which carry different amounts of symbolic capital in different contexts/fields at different times (Skeggs, 1997). The empirical analysis will show how class and gendered and/or ethno-centred habitus would shape the cultural capital development processes of MWE. Such an analysis will bring about the diversity within the sampled group of the MWE as often underestimated by the existing analyses.

Methodological approach
The life stories are considered as keys to open the black boxes of the processual dynamics of MWE’s lives, as each life story provides a link between “the migrant agent and the structure of society” (Lutz, 1995, p. 314).
Because the Bourdieu’s terminology is unique in many ways, the first task was to translate his conceptual frameworks of habitus, field and forms of capital into the reading of life stories. Due to its plasticity and richness, the concept of habitus has proven to be the most intriguing element of empirical analysis (Reay, 2004), yet it provided a methodological pathway (Wacquant, 1996). Akin to the concept of “lived experience” in life story accounts, the concept of habitus was useful in extracting narratives around process of making sense while connecting the past with the present (Brah, 1991). Definitions and descriptions offered by Bourdieu were used for the remaining concepts of field and forms of capital.

The empirical material was generated by listening to the life stories of 17 women who migrated from Turkey to Sweden for different reasons. The selection of a migrant community with a Turkish background was on purpose. Immigration to Sweden from Turkey encompasses diverse ethnic groups over a wide span of time from less educated working-class people in the late 1960s to highly educated, elite civic movement leaders after the military coup in 1980s.

The context of Sweden is marked by an egalitarian society where class differentiation is not significant. Yet, there is low mobility between social ranks as displayed in occupational patterns and class homogenous marriages (Bihagen and Halleröd, 2000). Women in Sweden have become their own breadwinners. Today, the Swedish women identify themselves both as mothers and workers without downplaying the importance of each one of them. Women are bound to their field of venturing as mirroring the gendered labour market segmentation in Sweden (Holmquist and Sundin, 1988), and are more confined in their labour market choices (Hedberg, 2009). The migrants in Sweden often share close residential areas, irrespective of their social backgrounds, take on a collective migrant or foreigner identity (Pred, 1997). Migrants in Sweden are employed three times less than native citizens (Ekberg and Hammarstedt, 2002; Valenta and Bunar, 2010). However, migrant women with higher education levels are worse off. These highly educated women coming from non-Western countries experience twice times unemployment as compared to native women with similar educational backgrounds (Rubin et al., 2008). Migrant women’s experiences reflect the structural predicaments faced by migrant entrepreneurs and women entrepreneurs in Sweden. They usually take part in women-dominated service sectors where low education levels and low profit margins are common, such as hairdressing, personal and health care, and social services. Moreover, they share a common destiny with women coming from West Asia, where their gains from entrepreneurship are lower compared to other MWE from western countries (Hedberg, 2009).

The main characteristics of the MWE in the study are summarised in Table I.

The women entrepreneurs were accessed by searching contacts via the Ethnic and Business Association, and personal networks. Then, through snowballing, it was possible to access several other women entrepreneurs who migrated from Turkey, who were in the process of establishing or have already established their ventures in Sweden as solo entrepreneurs. The search yielded 17 participants with whom life story interviews were carried out. All interviews were undertaken between November 2011 and December 2012 at women’s workplaces, or homes, according to their own preferences. The interviews were conducted in Turkish, the native language of both the interviewees and the author, which were then translated into English. The life story materials were combined with non-participant observations of entrepreneurship practices in several of women’s businesses located in three different cities being Stockholm, Goteborg and Jonkoping. Also, by-invitation-only networking and special events organised by women were attended during this period. Still the current analysis largely draws upon the life story narratives, while the ethnographic observations form the backdrop of the study.

In generating the life stories, a grounded theory approach (Glaser and Strauss, 1967) was followed in order to develop a deeper understanding of theoretical constructs which address the
interpretive realities of MWE. Accordingly, the theoretical sampling was adopted through ongoing interpretations of generated data (Suddaby, 2006) and emergent theoretical categories. As Bourdieu (1984) himself and subsequent accounts (Townley, 2014) rightly insisted, class relations are not confined within the occupational or production domains. Instead, class relations concern more of a cultural exchange than a labour exchange in contrast to how this concept was once framed (Skeggs, 1997). Therefore, this analysis takes into account all narratives referring to the different forms of cultural capital acquisition and conversion practices in which women claimed ownership or investment. Cultural capital (Charmaz, 2014) and its development efforts emerged as a key directing activity in conceptualising the data in greater detail (Emerson, 2004). This study draws from the positioning analysis. A study of positioning allows for observing different social locations in which entrepreneurs find themselves as well as observing the resources that they either can, or cannot mobilise in the way of articulating their self-constructions upon normative discourses (Bamberg, 1997; Davies and Harré, 1990). This framework was applied primarily in analysing the narratives of women
talking about how they positioned themselves within work/labour relations prior to their enterprising and after becoming an entrepreneur (Gill, 2014).

Then it was examined how women entrepreneurs evaluated and used their capital differently under certain conditions. Life stories demonstrated the ways in which MWE relationally defined, and in turn, contested being the right kind of entrepreneur through their constructed habitus and forms of cultural capital within the rules of the game in the specific field of entrepreneurship.

Respectively, the analysis yielded three distinct habitus that emerged from the life story narratives labelled as women (migrant) entrepreneurs, migrant (women) entrepreneurs and hybrid entrepreneurs.

**Introducing MWE: connecting the individual with collective histories of gender, ethnicity and class**

The study brings forward three distinctive habitus of MWE drawn from a synopsis of their life trajectories as described below.

*Migrant (women) entrepreneurs*

These women come from established families with urban backgrounds. Although migration disrupted some of their existing capital, they nevertheless had a higher economic, social and cultural capital than women with labour backgrounds. Their migration was the product of modernisation projects that started in 1920s with a newly founded Turkish Republic in which women were positioned as equals to men in both private and public domains (White, 2004). However, this ideal construct – “the daughters of republic” – was accessible to women who came mostly from middle- and upper-class families (Arat, 1998; Ozbay, 1999).

Before migrating to Sweden in the 1980s, most of them already had higher education and professional occupations. This background provided these entrepreneurs with a legitimate authority position as political activists. Paradoxically, the order-conscious dispositions developed throughout their fighting for a different social order in Turkey forced them into exile as political refugees. All the women said that they chose Sweden primarily, because it represented a democratic social order. Interestingly, gender relations were slightly mentioned in this group of interviews as if they were not relevant to their experience of themselves and to their lives as migrants.

*Women (migrant) entrepreneurs*

These women come from working- or lower-class families and migrated primarily from rural areas or small towns in Central and Southern Anatolia. In those families, the women’s lives were organised on the basis of patriarchal cultural codes that limited women’s movement between private and public spheres (Arat, 1998; Incirlioglu, 1998). Their essential place was with the family and they were primarily raised first as daughters and then wives and mothers.

All these women worked following their compulsory education in Sweden. Nevertheless, protecting family honour and their femininity remained essential to live a respectful life and to be a respectful woman. Their sense of sexuality was central to their femininity. Marriage, for them, was the key arena in which they could trade their femininity and gain status and respectability in their communities.

*Hybrid entrepreneurs*

Hybrid women, similar to women migrants, came to Sweden to join their fathers or brothers who came to Sweden to work in the early 1970s. They usually migrated from urban areas and their migration rationale did not always follow the familiar migrant narrative
of breadwinning. Like migrant women, they came from families in which women were not subordinated and the economic wealth of the family was steady and established. Nevertheless, neither their families were highly educated nor they had gendered disruptions due to the migration experience. Upon their arrival at a very early age some pursued higher education routes while others did not. However, they mingled with the Turkish community of migrant workers at the time.

**Sites of investments: acquisition and conversion of forms of cultural capital**

The capital development practices of these women were closely associated with their classed habitus. In realizing their opportunities, various forms of capital played a central role in women’s lives in general and in their entrepreneurial efforts in particular.

Education as an allocative mechanism in legitimating and defining the value of the cultural capital of MWE was set as a prerequisite not only for paid or highly qualified jobs, but also for almost any field in which women started their own businesses. However, their habitus greatly shaped the array of choices available to them. Mine comes from an established family. She had a university degree and years of professional experience prior to her migration to Sweden. She says:

I used to work as a dentist in Turkey and had to migrate to Sweden as a political refugee because I was arrested for being involved in a political movement raising consciousness among working women like voicing concerns for an equal pay for equal work, etc. However, in Sweden, my dentistry degree from Turkey was not recognized. I refused to start from the scratch and get another degree exactly in the same subjects. What happened next was that I became a shareholder to a dentistry practice run by the Turkish dentists. However, they treated me like subordinate just because I didn’t have a Swedish degree. I couldn’t handle that. There were no other available jobs than being a servant or a care-giver as a migrant woman at that time. I decided to set up my own company in personal and health care business. (Mine)

Due to her frustration with the Swedish higher education regulations and her ethnic kin, Mine developed a rather unusual strategy to justify her eligibility for a bank loan by drawing on her house which she has bought after selling her apartment in Istanbul, Turkey. She used her house as a legitimate cultural capital:

I said to her (bank officer) that before saying yes or no to me, come to my place to see where I live, what I eat, perhaps I live in a paper box [...] the decorations in your home, your books, many other things signal that. I look around when I go into some place, I mean.

In order to create a favourable argument to acquire a bank loan, she relied primarily on her class position materialized in her house located in one of the affluent districts of Stockholm. According to her, owning a valuable house would symbolise her wealth and a nice interior design with a library would reflect her cultural capital.

In contrast to the migrant women’s frustration with structural disadvantages such as issues around degree validation in a new country, the women migrants who came to Sweden following their male kin consistently mentioned that they knew they would be working as a beautician, as a hairdresser or in a low-profile job in the food sector, etc.:

I have never thought of becoming a lawyer, economist or doctor, etc. Actually, here in Sweden, there are all kinds of possibilities; they even give you money if you get higher education. However, we did not because there was no such support from the families, no support, there was also no one like that among people with whom we have been socializing [...] During my high school education, for example, our Turkish girls used to sit together in the classroom, we did not mingle with the Swedish students, neither did they with us. They did not want to because we could not live the life they did, for instance, they could go out after school and have fun, drink, etc., but we could not do such things, we had to return home to help with house chores. (Şenay)
These narratives showed that they were unable to consider this option not only due to the limits posed by gendered habitus as common to all women, but particularly due to the requirements and responsibilities often forced on them by the ethnic family which would contradict with practical life arrangements. It would not be rare that such contradiction would end up in early marriages and parenthood later in life. These women without higher education often recalled how important it was to have a certain occupational certificate not only to legitimise their skills, and claim expertise in their business, but also as a door opening to new and better social relations and opportunities:

My cousin encouraged me to become a beautician because she knew me and my talent since my childhood. I went to the school for 15 months. Unfortunately, things did not go well with my cousin, she did not pay my salary after a while. I started up my own business just to show my tenacity at work to myself and to her and everybody else that I could do it by myself, too. During this period of getting my certificate I got to know people. They were all Swedish and they were residents of this region. I was 24 years old and I learned this region, the Swedish language all at a later age. I educated myself. Now, all my customers like me, for example, when I moved here, all my former customers followed me. (Şenay)

As Şenay’s account partly shows, language, being one of the fundamental systems of distinction and resource allocation, as Bourdieu (1991) suggested, was the most crucial cultural resource to be converted to symbolic capital. However, the symbolic value of language to the MWE is related to their own sense of classed positions. For example, for women with working-class backgrounds, competence in the Swedish language has been a great concern. The women provided long accounts on how they considered themselves in this regard. Almost all confessed with embarrassment that they had accents. On the contrary, political refugee women with middle-class family backgrounds approached the language proficiency issue in rather instrumental ways. They clearly expressed that their use of Swedish would no way be comparable to that of the natives, yet they had no issues about that. Hybrid entrepreneurs, on the other hand, were proud of their linguistic proficiency in using this form of cultural capital. They thought having a good command of Swedish was important for work, even though at times they were indirectly reminded of their distinct social positions as non-natives. As Ceren said:

I usually contact people by phone and this becomes especially important in marketing. Because I speak perfect Swedish, I have no problem. Whenever people with whom I have spoken previously on the phone come to see me, they become a bit surprised because of my brownish skin complexion. Nevertheless, no one ever asked me where I came from, but instead, where my ancestors came from.

However, language has never been a sufficient cultural resource in itself even for the women who have mastered the native language. Their experiences make it clear that in order for the language to work favourably for them, it needs to be backed up with other forms of cultural capital specific to the context such as communicative skills. Such skills are sticky and contextual as the language itself, even if they often remain unarticulated. These interactions require all embodied faculties, namely, practical know-how and proper mannerisms acquired through ongoing and time-consuming practices to be brought together (Rennstam and Ashcraft, 2014, p. 11). The combined skills play a role as gatekeepers, which enable or disable the social interactions with important stakeholders.

Nalan, a knitwear shop owner is the daughter of an enterprising father in Turkey. She came to Sweden following her brothers. She says she was born to an enterprising family and culture. She even taught her husband how to venture following his migration to Sweden from Turkey:

Once one knows about enterprising, that is, how to talk to people and how to sell, then there are no more problems. I am confident with the language as I am grown up here. I understand their jokes. Thanks to my mother I am also used to follow the fashion trends so that I can respond to my customers’ questions easily.
Like Nalan, Nurten has also migrated to Sweden following her father and working-class family at very early ages. She had a higher education and professional career as a Social Worker in Sweden. Like all other hybrid women socialized in the native and ethnic culture, she claims perfect command of Swedish language. At the time of the interview, she was in the process of starting up her retail business in non-alcoholic wine sector with the aim of helping to reduce excessive alcoholic consumption in the Swedish society. She explained that in getting prepared for networking meetings, it was crucial to become aware and to skilfully apply the cultural codes and to exchange signs of status in order to connect with her Swedish and ethnic contacts:

There are visible and invisible rules such as proper code of dress and arriving meetings in time. For example, if you cannot present yourself in 10 minutes your business there is over, i.e. access is denied. For that reason, in starting my presentations I usually let them know that I have a migrant background.

By the term “visible rules”, she refers to the considerable membership fees and by “invisible rules” to the signs of respect in Swedish business networks and society. Thus, by using her economic and cultural capital she hopes to gain access to valuable contacts.

Thus, the sites of investment varied according to how women oriented themselves towards acquiring and putting into use certain forms of cultural capital. Migrant women, who were already equipped with a strong cultural capital, claimed legitimacy for their expert knowledge. However, their claims were often denied in the labour market which caused them to start their own businesses. The hybrid women had a relatively broader range of resources due to their familiarity with both of the cultures, and they had access to the required communicative and institutional resources which helped them start up visionay businesses. On the other hand, women coming from working-class families had much fewer resources compared to the other two. Their investment patterns developed along with their working-class-based trajectories in female and migrant typical jobs, often followed by their frustrations with the employers exploiting their labour, and material difficulties experienced at prior jobs, which formed ground to their starting up motivations. Women’s accounts, thus, show how gender, ethnicity and class act as the elements of division which define the particular contexts in which MWE interact. These very same lines also work to generate practices and sites of distinction.

Sites of distinction: matter of concerns and imagined futures
Almost all women in this study claimed distinctions by attributing certain qualities to themselves, their manners, attitudes and resources or to their customers, products or social relations. The migrant women primarily claimed distinctions in terms of professional or business conducts and ethics. Mine reflects such an approach:

People coming here […] still the same thing happens […] people who have a certain level of mindset and education come here […] it is important that a person who serves her customers has to have similar cultural and educational capital with them […] At that period, it was more like that, a job elite people do, I mean.

Author: You mean people coming from higher classes become your customers?

M: No, I don’t think it is about class, people with ragged clothes come here as well, but they usually have a certain level of education and a sense of caring about themselves!

Mine refused to acquire the institutional cultural capital recognised in Sweden, while allegedly, her classed habitus resembled to her customers, her ethnic origin added up to her economic vulnerability:

Compared to the Swedish shops I sold more cheaply […] I cut the price, I mean, I lowered the margin quite a lot in order to attract customers here, still I do that […] Look, I still do that because I
am a migrant and it takes too much time for the Swedish to come to me. I mean, I have black hair. We do not have a notion of global(ized) cultures in practice, yet. I have discounts here, for that reason they come to me, yet not all the customers come to my knowledge. My shop is getting smaller and smaller with every economic crisis.

The migrant women painstakingly brought forward their contributions often downgraded compared to their Swedish counterparts. They simply wanted to pass as respectful business people, which was largely available to the native people in the current context. Ramize provides such an account in explaining her disappointment with the expressions used by the Swedish authorities while presenting her with “a businessperson of the year award”. She said:

They just looked at my 13 years of working life, my being a woman with four children and being a migrant. For example, the Ministry of Trade and even the King said a couple of things. They said, they could not be as successful in another country as I was. These criteria were enough to them, but they were not interested in what I have achieved. It takes a lot of energy and courage. I kept working with honour and never manipulated the market. Later, after me, a few small firms emerged, and they harmed the market. I actually developed human resources for the market and I raised those people for my competitors, too. Actually, I took quite a large burden from the municipalities. Migrants, of whom 90% were getting social support, became qualified translators.

Leyla’s family moved to Sweden as a labour force when she was two years old and she had a chance to have a higher education. She set up her first company while she was studying computer sciences at the university:

I started my first company when I was 22 years old. It was during our education that we needed to carry out internship however, the companies were reluctant to hire us, the students coming from non-Swedish ethnic backgrounds. I and other friends we had to do that. Internship was important and compulsory part of our studies. It suddenly occurred to me that the Swedes were not able to see the value of cultural diversity; people, languages, cultural resources, etc. I saw this as an opportunity to start my own business. I hired all these friends who were denied a placement. We started with translating English manuals to Swedish for big IT companies. Since then I have been working with multicultural human and other resources. Recently, I sent a group of Iraqi engineers in Sweden to work in the Middle-East.

Leyla’s case shows, how merit-based understanding of cultural capital would not be sufficient on its own unless structural barriers like racism (Ram et al., 2017) are properly addressed. Such an important insight, however, only helps to tell a part of the story. Therefore, it is worth to account the emergent agency of the migrants facing such struggles and experiences (Kontos, 2003). Obviously, because of this struggle, Leyla was able to formulate her business opportunity by reflecting upon what was missing, or was not utilised in the Swedish labour market.

Indeed, their horizon was influenced by where they came from, and where they were positioned. The accounts of distinction suggest that entrepreneurship provided a ground for revaluing delegitimized cultural resources, and the emergence of alternative cultural formations in a globalised world. Yet, given the strict boundaries drawn around gendered and ethnic divisions, the questions such as whether entrepreneurship has been helpful for correcting the representational denigration of women and for ensuring material security and discursive relief to women entrepreneurs from different classes remain to be discussed at length.

**Discussions**

This study focuses on the cultural capital development processes of MWE as an important, but often less regarded source of their emancipation. It reveals how class and gendered and/or ethno-centred habitus would shape the process through empirical analysis of 17 MWE.
The focus on the life stories of MWE is to capture cultural and symbolic capital that spans a person’s whole life trajectory and the experience (Lamont and Lareau, 1988), and movement across different social fields (Emirbayer and Johnson, 2008). This way, it allows for a diverse sampled group of MWE as often underestimated (Aygören and Wilinska, 2013). Such a diverse community enabled to record thick descriptions for the cultural configuration of class in the distinctive narratives and vocabularies of MWE. It demonstrates how class, even without being explicitly mentioned, has actually been central to women’s migration and entrepreneurship experiences. Additionally, by maintaining different class positions in the social strata they displayed different responses to their circumstances, i.e. what to do and who to be (Bourdieu, 1990).

This study identifies gender, ethnicity and class as shaping major habitus for MWE and opens up the dynamic and emergent nature of capital development processes by attending to MWE’s cultural capital accounts (Keating et al., 2014). The notion of habitus provided additional space for considering the active presence of individuals in entrepreneurial processes as part and parcel of individual (Watson, 2013) and collective biographies (Villares-Varela, 2018). Accommodating individuals this way helped expanding the current theorisation of resourcing practices with a context lens by emphasising the role of agency (Cederberg and Villares-Varela, 2019), such as interpreting what counts as a resource, how to command pertinent socio-cultural and symbolic resources and how to navigate through the demands of the established incumbents (De Clercq and Voronov, 2009; Terjesen and Elam, 2009).

The study suggests that the strategic fit between resources and opportunities does entail neither an automatic and arbitrary process nor an overly institutional and collective (group based) process (Kloosterman, 2010). Rather, it takes an effort and contestation carried out by the entrepreneurial actors, individual entrepreneur being the primary one. It focusses particularly on the conditions of possibilities for agency in social class terms, and their effects on acquiring and using resources, and on shaping certain opportunities and strategies by linking pre-migration and post-migration lives. Such a linkage between pre-migration and post-migration lives has been rarely considered (Anthias, 2013). Then, the study shows that entrepreneurial resourcing occurs when resources come to be acquired, mobilised and put into specific use by the entrepreneurial actors in the right context(s). Thus, simply possessing a particular type of resource, e.g., human capital, remains limited in explaining entrepreneurial resourcing practices especially in the case of entrepreneurship carried out by women and migrant groups.

This study shares the key insights and concerns raised by critical and feminist entrepreneurship studies reflecting the embeddedness of the field within gender, ethnicity and class relations. Taking these insights to a further step, the study emphasises the relevance of class as an axis of difference in addition to the prevailing focus on gender and ethnicity (Verduijn, and Essers, 2013). It acknowledges the importance of exploring the identity and meaning based struggles of women (Marlow and McAdam, 2015) or MWE (Essers et al., 2013) in coping with their disadvantaged position and legitimising their business. These streams of studies are enriched here by arguing that this agentic capacity is socio-culturally constructed rather than being arbitrary. It maintains that the way the agentic capacity is experienced and practiced displays particular commonalities among entrepreneurs who have/share contextualised dispositions (habitus) acquired through longstanding experiences under particular material and socio-cultural conditions pertaining to relations of class, gender and ethnicity. The additional insights offered by Bourdieu’s theoretical framework, then, are included to show the source of such agency and how individuals would create remedies when habitus and field did not quite fit.

Thus, incorporation of social class with its objective and subjective dimensions highlighted not only the identity and agency aspects of those strategic processes
studied by feminist accounts (Chasserio et al., 2014; Essers and Benschop, 2007), but also the equally important material aspect emphasised by the ethnic minority enterprise literature (Cederberg and Villares-Varela, 2019). For instance, empirical material showed that women who maintain positions at relatively higher ends of the class strata, that is, migrant and hybrid women with higher education challenged their positions as minority ethnicities when practicing entrepreneurship. On the other hand, the women migrants who found themselves at lower ends of the class distribution did not attempt to challenge the supremacy of classed subject positions. They were rather more interested in setting themselves free from the authority of contradictory relations where they experienced great dissonance in negotiating their identities according to two very different forms of femininity. While the Swedish context appeared to construct women and men as relatively more independent and equal in the domestic field and many other fields, the indigenous context appeared to construct women within relatively interdependent patriarchal exchange relations. Accordingly, the women from working-class families claimed to stand for themselves, rather than for helping others, or influencing their environments.

Accordingly, the study adds new insights on the role of cultural capital in entrepreneurship and MWE in several ways. First, similar to Karataş-Özkan and Chell's (2013) study, the study shows that cultural capital plays a crucial role in the formation of women’s individual habitus which shapes, facilitates and inhibits access to entrepreneurship well before entrepreneurs are engaged in entrepreneurship. For instance, migrant women and women migrants whose habitus and capital development chances were disrupted due to structural and cultural requirements found entrepreneurship as a major source of income and recognition. The relatively stable socialisation of hybrid women, on the other hand, provided windows for a steady capital accumulation and recognising particular entrepreneurial opportunities rather than relying on entrepreneurship to survive.

In their review of migrant women’s entrepreneurship, Chreim et al. (2018) indicate the need for further research in the ways educational backgrounds of migrant women interact with other contextual- or actor-related factors. This study shows that women with higher education and professional experience had issues in validating their credentials or putting them into use. However, women’s choice of an entrepreneurial career has not always been a response to the blocked mobility in the mainstream labour market in Sweden (Pettersson and Hedberg, 2013). As this study shows, the source of discrimination which leaves women with feelings of inferiority does not always have to be the native society. Many of the women migrants’ experiences were to the contrary, largely because the level-playing field was obviously layered and hierarchically cascaded in relation to the weight of capital women held. As migrant women and hybrid women experienced intolerance mostly from the natives, e.g., from their customers in the mainstream market or institutional bodies, the women migrants were put in a disadvantaged position by their former employees in the highly segregated personal and caring service businesses.

Besides, the study shows the importance of considering entrepreneurs’ cultural capital formation strategies as influenced largely by their habitus (Al Ariss and Syed, 2011). In line with the Bourdieus perspective, the study highlighted the role of women’s social class identity as an important intervening mechanism for the resources and entrepreneurial resourcing strategies and behaviours. In this respect, it suggests to expand the current framing of cultural capital as delimited with institutional/educational credentials only. The MWE in this study, for example, drew upon heterogeneous forms of cultural capital that could have symbolic currency in a given context and time to the extent of mutual recognition. They utilised their credentials, houses, knowledge of different languages, certain mannerisms and attitudes in order to be able to claim symbolic capital.
Language has also been given a premium attention in studies of migrant (Ram et al., 2017) and migrant women’s entrepreneurship (Chreim et al., 2018). Language or lack of language proficiency or an “accent ceiling” as conceptualised by Collins and Low (2010) have been one of the most critical forms of cultural capital disadvantaging migrant women’s enterprise and growth prospects as well as limiting their strategic choices in co-ethnic markets. Narratives of the women provided more nuanced understanding about the question of language in migrant enterprise research which signals the need for further research. First, the analysis highlighted the role of language as one of the most important mechanisms, which would help to maintain ethnic boundaries between the majority and minority ethnic communities and accordingly shape the range of opportunities and growth prospects lead by social capital development efforts. Then, the study further extends the key argument raised by Light and Dana (2013), as cultural capital proved to function as a powerful gatekeeper for claiming membership in various networks for women. Future research can probe into this interface between cultural and social capital and might provide a deeper understanding on the nature of this symbiotic relationship between two forms of capital and its multiple effects on generating particular entrepreneurial practices and strategies in host and co-ethnic and transnational contexts.

This way, MWE introduced suppressed varieties into exchange relations in the dominant context and reinforce their standing and currency (Erel and Lutz, 2012). However, their strategies found a limited manoeuvring space in areas where institutionalisation of the field has been rather strong such as in the area of education and the conduct of professional practice. They arguably enjoyed more freedom in enacting diverse opportunities aligned with their habitus, and life trajectories to the degree that their cultural and symbolic capitals were put into use.

In view of the above discussions, this study shows how MWE generate diverse, yet at times similar, but historically and culturally conditioned responses in actively shaping the relationship between entrepreneurial resources and context-specific structural powers and aspects. In particular, it draws attention to the conditions of possibilities for agency as a result of struggle and intersectional power relations: social class, ethnicity and gender which provide a differential degree of powers to the individual entrepreneur.

**Conclusion**

This study provides important implications for approaching migrant and women entrepreneurship. Attention to women biographies in individual basis proved to be crucial in showing the futility of speaking about the cultural or social capital of an ethnic group such as the Turkish community or a culture as they greatly undermined the intra-ethnic and inter-ethnic hierarchical relations and distinctions (Vershinina et al., 2011). It also shows the diversity in women’s migration and entrepreneurship experiences and heterogeneity in institutional engagements (Ahl and Marlow, 2012).

Despite such implications, the study comes with certain limitations as well. The first one concerns the sampled participants. They show differences in their migration experiences and biographical histories, but the fact that they come from the same country of origin (Turkey) and are settled in the distinct national context (Sweden) helped to maintain a structure for their experiences discussed in the study. Therefore, future studies taking comparative approach would be encouraged in providing greater insights on the subject matter. The second one concerns the methodological choice of drawing purely on women’s experiences. The research tried to remain true and impartial to participants’ accounts, but its context is unique and limited in drawing upon participants’ ways of representing themselves towards different audiences. Richer ethnographic material diversifying the research contexts *in situ* would greatly enrich such and similar studies requiring sharp qualitative perspectives (Johns, 2006).
The empirical coverage of this study can be further expanded with the inclusion of immigrant women entrepreneurs enterprising in Sweden who come from other countries of origin than Turkey. Although studies focussing on immigrant women entrepreneurs in Sweden are limited, and the major lines of discussion on immigrant entrepreneurship revolves around questions of integration and inclusion of the migrants to host society, the extant literature sheds light upon the major institutional characteristics, and their impact on immigrant women’s entrepreneurial experiences as well as the responses the women generated towards them. As Webster and Haandrikman (2017) suggest, structural and institutional challenges combined with difficulties around gender and race aspects pose greater challenges to immigrant women entrepreneurs in starting up and surviving as small businesses in Sweden. When compared with ethnicity gendered barriers seem to be more pervasive and are more pressing for all women in Sweden due to highly segregated labour market characteristics which confine women to feminised jobs and opportunities. However, the opportunity structures available to immigrant women seem to be even more shrunken and sort those women into much less diversified and labour-intensive and low-income sectors such as hairdressing, restaurant businesses, health care, cleaning and to a much lesser degree to office jobs like interpretation and administrative consultancy. Yet, the women sampled in this study, like other migrant women living in Sweden and elsewhere (Essers and Benschop, 2007), also tended to find ways going around power structures by creatively responding to those challenges (Webster and Haandrikman, 2017; Hedberg and Pettersson, 2012). They displayed different family characteristics compared to some other immigrant women entrepreneur groups. For instance, Pio (2010) in discussing the Indian women and Webster and Haandrikman (2017) in bringing forward the Thai immigrant women entrepreneurs’ experiences emphasise how women relied on their families and communities as a major resource in attaining different forms of capital required to start up and survive their firms. However, such support was difficult to locate in women’s narratives, mainly because only 2 out of the 17 women had Swedish partners, and only four of them had a stable marriage and family life. The rest were either divorced or changed their same ethnicity partners in the course of the migration process which is very similar to the immigrant women entrepreneurs studied by Hedberg and Pettersson (2012). Striking enough, similarly, they seemed to be talking about their entrepreneurial efforts as an individual struggle and achievement, and they relied on diverse and cross-cultural customers and employees while much less so on co-ethnic markets and customers. The experiences of the women from Turkey cast serious doubts about the family and community support. This point warrants a further elaboration of family structures and their likely impact on social and cultural capital development processes from intersectional perspectives, i.e., gender, ethnicity and class.

Another methodological concern is about the data generation which has taken place six years ago. Six years might have brought many changes to the women who narrated their stories. This has become clear in the follow-up meetings that were held with some of the women up to this date. Some of the women slowed down or even halted their business endeavours, while others have started up new companies in addition to their earlier start-up. Some others experienced an exponential growth by overcoming start-up hurdles. However, the main purpose of this study is not providing an accurate description of current situation, but rather offering an analysis explaining the emergence of the situation. The timespan of research and interviews conducted in this study allowed for the accumulation of a rich contextual data which formed a solid base to identify and understand the processes and practices required to discuss and illuminate the theoretical perspectives and aim of the study.

The study also offers useful insights which may inform the policy. The study shows that policies addressing the aspirations and capital endowments of different groups would be
helpful in tackling with the dominant focus on ethnicity and cultural traits of those groups. Intersectional approach to policy making might potentially provide a useful entry point (Ram et al., 2017; Romero and Valdez, 2016). Finally, business and public policies which tend to support migrant and women entrepreneurship as a way out of unemployment should take into account the inequalities and societal divisions experienced within the practice of entrepreneurship. Business and public policy domain should be integrated towards targeting the burgeoning diversity in entrepreneurship.

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**Further reading**


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Conforming to the host country versus being distinct to our home countries

Ethnic migrant entrepreneurs’ identity work in cross-cultural settings

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Abstract

Purpose – The purpose of this paper is to examine how ethnic migrant entrepreneurs (EMEs) utilise identity work to build legitimacy in a host country. According to optimal distinctiveness theory (ODT), legitimacy is achieved by balancing conformance and distinctiveness. This paper draws on ODT in the context of ethnic migrant entrepreneurship to examine how EMEs both fit in (conformance) and maintain their uniqueness (distinctiveness) in cross-cultural settings.

Design/methodology/approach – This study adopts a qualitative approach utilising semi-structured interviews to examine the identity work of EMEs from three distinct countries (Indonesia, Pakistan and South Korea (henceforth Korea)) in one host country (Malaysia).

Findings – The results show that EMEs’ identity work incorporates both the blurring and strengthening of host-home country boundaries. Building on this study’s results, the authors develop a model of identity work and three propositions regarding legitimacy building through identity in the context of ethnic migrant entrepreneurship.

Originality/value – Through the model and propositions, this research contributes to the identity, international entrepreneurship and ethnic migrant entrepreneurship discourse by identifying the mechanisms, focus and key features of identity work for entrepreneurs operating in cross-cultural settings. In so doing, this research also offers an alternative interpretation on the apparent divergent views around identity work in the fields of organisation (advocate isomorphism) and entrepreneurship (advocate uniqueness).

Keywords Entrepreneurs, Immigrants, International entrepreneurship, Identity

Paper type Research paper

1. Introduction

Discussions concerning identity and legitimacy have highlighted the need for individuals and firms to strike a balance between conformance and distinctiveness, with organisation studies generally advocating sameness or belongingness and entrepreneurship studies mainly promoting uniqueness (Zhao et al., 2017). This perspective is particularly relevant to entrepreneurs operating in cross-cultural settings such as ethnic migrant entrepreneurs (EMEs) – as a foreign identity and lack of legitimacy inherent from foreignness in a host country may limit access to resources and entrepreneurial opportunities. However to date, the divergent ideas on identity-legitimacy, especially in complex cross-cultural settings such as a foreign country have been barely discussed in the literature (Brown, 2019). This research begins to address this gap by asking: “How do EMEs adopt identity work to build legitimacy in the host country?” The outcome of this research is a more nuanced view of identity work in a cross-cultural setting through an examination of ethnic migrant entrepreneurship.
Legitimacy is particularly important for entrepreneurs especially for acquiring resources (Hannan and Freeman, 1989; Aldrich and Fiol, 1994) and securing support from stakeholders and society (Bruton et al., 2010). One of the ways to achieve legitimacy is through identity work (Brown and Toyoki, 2013), which refers to managing (sometimes multiple) identity/identities to achieve fit and become credible within specific environments (Ibarra and Barbulescu, 2010; Karhunen et al., 2017). Our research builds on the idea of optimal distinctiveness theory (ODT) (Brewer, 1991), which advocates an equilibrium between identity belongingness and uniqueness. Two prominent ways in which decision makers enact identity to build legitimacy are through identity conformance, which targets belongingness to relevant others; or identity distinctiveness, which promotes uniqueness (Zimmerman and Zeitz, 2002; O’Kane et al., 2015).

We define EMEs as migrants who are engaged in entrepreneurial activities in the host country (Chaganti et al., 2008). To become competitive in a foreign market, EMEs are challenged to balance their distinct home country features and conformance within the host country. The focus of this study is EMEs from Indonesia, Pakistan and South Korea (Korea hereafter) in a single host country, Malaysia. Such home and host countries provide a unique context in response to the over-representation of western settings in problematising the ethnic migrant entrepreneurship phenomenon.

Our results highlight that EMEs’ legitimacy building stems from identity work that both blurs and accentuates host-home country boundaries. Articulation of our findings is supplemented with a model categorising EMEs’ identity work and three propositions for consideration. Our findings show that for EMEs, host country conformance and home country distinctiveness are valuable in their pursuit for legitimacy, which together hold important theoretical implications for the divergent discourse on identity-legitimacy in organisation and entrepreneurship studies. Addressing this divergence through our findings is anticipated to enrich identity-based discussions in the overlapping fields of identity, international entrepreneurship and ethnic migrant entrepreneurship. This study’s practical implications arising from a clearer understanding around the utilisation of EMEs’ home country resources and identity in cross-border entrepreneurial pursuits are also significant and timely, especially for entrepreneurs operating internationally and policy makers dealing with cross-border entrepreneurial activities through migration.

This paper begins with an overview of OD in the context of legitimacy building through identity work. Then, a description of the materials and methods of the study is provided. Next, we present the case studies, followed by a discussion on the linkages between EMEs’ identity work and legitimacy building in a host country. The paper draws to a close with some concluding comments and suggestions for future research.

2. Theoretical development

The concept of OD is based on the idea of individuals balancing belongingness and uniqueness within a distinct context (Brewer, 1991). Our ontological position on identity is “identity as becoming” instead of “being” (Gioia and Patvardhan, 2012), which takes into account the dynamic, non-static view of identity construction (Leitch and Harrison, 2016).

In general, identity-legitimacy discussions in organisation studies advocate isomorphism, fitting in and sameness while entrepreneurship studies encourage originality and uniqueness (Suddaby et al., 2017; Marlow and McAdam, 2015; Zhao et al., 2017). The divergent ideas in the related and overlapping fields are more salient in topics incorporating identity and legitimacy building in cross-cultural settings, such as ethnic migrant entrepreneurship. As EMEs situate within the challenging environment of a foreign country, they are required to conform to the host country’s rules and normative expectations of migrants and business owners, while also
portraying characteristics that are distinct enough to differentiate them from local entrepreneurs. We explore this phenomenon by examining the way EMEs shape their identities to conform and become distinct when creating and conducting entrepreneurial ventures in the host country. Doing so enables us to identify important categories and dimensions of identity work for legitimacy building from the perspectives of migrants in entrepreneurship; their views are imperative in this study as their success in the host country largely depends on the viability of their ventures.

2.1 Legitimacy building and optimal distinctiveness
Legitimacy is a “form of socio-cognitive perception or evaluation” (Suddaby et al., 2017, p. 451). According to Lounsbury and Glynn (2001, p. 546), legitimacy building can be defined as a process of “cultural alignment”, whereby individuals act and behave to be recognised as appropriate field members (Sillince and Barker, 2012). Building legitimacy, which refers to convincing the dominant referent group of “fit” (Ibarra and Barbulescu, 2010) is particularly challenging for new entrants (Cornelissen et al., 2012), such as EMEs in a host country as their non-citizen positions limits their access to many of the host country’s resources and opportunities (Kloosterman, 2010; Hedberg and Pettersson, 2012).

OD refers to how individuals forge unique identities while navigating strong normative pressures to conform and to achieve inclusion and individuality in a group (Brewer, 1991; Brewer, 2003). OD is important for entrepreneurs as it assists in legitimacy building by increasing visibility and understanding among their peers (Deephouse and Carter, 2005) and enabling resource facilitation (Navis and Glynn, 2011). Within the framework of ODT, identity work involves two main strategies: identity conformance (belonging with others) and identity distinctiveness (uniqueness in relation to others).

2.2 Identity work: conformance and distinctiveness
To build legitimacy, individuals engage in identity work, which refers to “an activity which reflexive subjects undertake in the attempt to be deemed legitimate within the various environments they encounter” (Marlow and McAdam, 2015, p. 792). In relation to this knowledge, this study operationalises identity conformance activities as efforts to be accepted as entrepreneurs in the host country through conforming to the host country’s rules and expectations of EMEs. Identity distinctiveness activities on the other hand are operationalised as efforts to be accepted as entrepreneurs in the host country through employing distinct home country qualities.

It is important to be cognisant that identity work to build legitimacy for entrepreneurs is contextual. For instance, O’Neil and Ucbasaran (2016) show that for environmental entrepreneurs, identity work for legitimacy building shifts from entrepreneurs’ preferences to the audiences’ then finding a balance between the two; in a study comparing high-tech and social entrepreneurs, Yitshaki and Kropp (2016) illustrate that the former group focuses on the uniqueness of their innovations while the latter centres around belongingness within their social settings. For women entrepreneurs, legitimacy is built through balancing female-based societal expectations and aspects of the more traditional male-based entrepreneurial image (Chasserio et al., 2014). As such, entrepreneurs, their venture setting and their efforts to conform to or deviate from the expectations of their core audience are interwoven in their pursuit for legitimacy.

2.3 Identity work to build legitimacy in ethnic migrant entrepreneurship
The blocked mobility thesis and the middlemen minority concept in ethnic migrant entrepreneurship literature suggest that most migrants possess limited knowledge of the host country (Aliaga-Isla and Rialp, 2013), leading them to engage in entrepreneurship
activities in marginal sectors. In reference to their lack of host country knowledge, according to studies on ethnic migrant entrepreneurship, EMEs within this category emphasise minimal aspects of identity conformance for their ventures’ viability (e.g. satisfying the host country’s regulations regarding migrant-owned ventures, staying out of trouble with the policy makers) and emphasise host country identity distinctiveness to obtain access to opportunities and resources within their home country community in the host country, as they are considered legitimate within such communities. Some examples of this category include Turkish migrant entrepreneurs who lack Dutch language skills venturing into informal Islam-based butcheries in the Netherlands (Kloosterman et al., 1999) and Korean migrant entrepreneurs with limited diversity in their networks operating nail salon businesses in Koreatowns in New York (Oh, 2007).

EMEs who are equipped with host country knowledge and host country networks on the other hand are able to emphasise aspects of identity conformance (e.g. being part of the host country’s business associations) relative to those who lack host country skills, and employ identity distinctiveness more strategically (for instance procuring products from their home country to be traded transnationally). EMEs within this category are more proficient in the host country language and culture, and mainly categorised as skilled migrants (Ndofor and Priem, 2011; Cruz et al., 2018), enabling them to access more diverse host country networks for host country resources and entrepreneurial opportunities. Examples of EMEs within this category include Silicon Valley migrant entrepreneurs (Saxenian et al., 2002) and skilled entrepreneurs within high-value industries (Ndofor and Priem, 2011), who are entrepreneurs pursuing opportunities beyond their ethnic enclaves as a result of valuable skills and host country knowledge.

Based on previous research on ethnic migrant entrepreneurship, it can be implied that EMEs’ legitimacy building through identity is interlinked with their host country knowledge and their home country resources. However, the mechanisms and extent to which home country identity (which enables access to home country resources but hinder access to host country resources) and host country contexts (which enable access to entrepreneurial opportunities for EMEs) interact to influence EMEs’ legitimacy development have not been examined yet, especially in non-western countries.

2.4 Research focus
To initiate and develop their entrepreneurial ventures, EMEs enact identity conformance by aligning to the expectations of host country populations (Lee et al., 2018). This is particularly important during the early stages of business development as identity conformance can promote inclusiveness (Shepherd and Haynie, 2009). In addition, however, to access and leverage unique home country resources and opportunities that are important for venture growth and success, EMEs enact identity distinctiveness by emphasising home country characteristics (Lee et al., 2018). As entrepreneurs operating within a setting permeated by host-home country interactions, EMEs’ opportunities are largely influenced by the host country’s institutional context, home country resources and the dynamics between the two (Abd Hamid et al., 2018). As such, EMEs’ identity work is in general more complex than it is for local entrepreneurs. Therefore, in this research we ask: “How do entrepreneurs from different countries adopt identity work to build legitimacy in the host country?”.

3. Methodology
This research employs a qualitative approach as it is most suitable for studying and understanding a research subject in its natural context (Marschan-Piekkari and Welch, 2004). Specifically, we examine the way EMEs from Indonesia, Pakistan and Korea utilise identity work to build legitimacy in the host country, Malaysia.
3.1 Case study setting
Malaysia as a host country offers an important case to highlight the role of cultural
differences in entrepreneurial activities given its culturally-permeated setting, a common
characteristic of non-western countries (Barkema et al., 2015), which will influence EMEs’
access for resources and opportunities in conducting their ventures in the host country.

Indonesians form a large pool of migrants in Malaysia (World Bank, 2016), partly
explained by a similar Islam-based affinity, racial and linguistic similarities, common
history and geographical proximity in the Malay Archipelago. As a lesser-developed
country to Malaysia, most Indonesians arrive to Malaysia as unskilled workers, while the
rest arrive as expatriates, entrepreneurs and students.

The migration of Pakistanis to Malaysia is largely centred on religion and colonial links.
The spread of Islam as a motivation and effect of migration is mainly discussed in the
diaspora of Pakistanis (Werbner, 2012). Present-day Pakistani migrants in Malaysia tend to
be employed in unskilled sectors and conduct small and medium craft businesses.

Korea diaspora to Malaysia are mainly institution-based, facilitated by Malaysia–Korea
relations, attributed to various nation-level policies and programs welcoming Korean
migrants, including expatriates, students and those falling under a tourism initiative called
“Malaysia My Second Home” (Abdul-Aziz et al., 2014), which had encouraged individuals
from more prosperous countries to temporarily stay in Malaysia.

EMEs from different home countries adopt unique positions in the host country in terms
of their host country cultural knowledge and the resources they can access from their home
countries. Therefore, while one could speculate that Indonesian EMEs are able to leverage
from the similar culture to Malaysia, Pakistani EMEs can capitalise on the similar colonial
history to the host country and Korean EMEs may be able to maximise their wealth in the
host country (although mainly lacking similarities and history to the host country),

it remains unclear whether and to what extent they do this. In this research we examine this
issue more closely.

3.2 Sample and data sources
This study examines three countries articulated as “cases”, focusing on EMEs as individuals
as recommended by Gerring (2004). Primary data sources for this study include interviews
with 40 participants, principally with the EMEs, complemented by interviews with embassy
representatives, community leaders and trade representatives of each home country; this is
summarised in Table I. Inclusion criteria in the study are: EMEs who have experienced
operating at least one business venture in the host country and EMEs conducting
ventures that have been operating for one or more financial years in the host country.

<table>
<thead>
<tr>
<th>Case</th>
<th>Primary source(s)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesian EMEs</td>
<td>Entrepreneurs (EI1-EI10)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Community leader (ICL)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Embassy representative (ITE)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Trade association representative (ITL)</td>
<td>1</td>
</tr>
<tr>
<td>Pakistani EMEs</td>
<td>Entrepreneurs (EP1-EP10)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Community leader (PCL)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Embassy representative (PTE)</td>
<td>1</td>
</tr>
<tr>
<td>Korean EMEs</td>
<td>Entrepreneurs (EK1-EK12)</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Community leader (KCL)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Embassy representative (KTE)</td>
<td>1</td>
</tr>
<tr>
<td>Additional source: Malaysia</td>
<td>Government-based trade officer</td>
<td>1</td>
</tr>
</tbody>
</table>

Table I. Summary of respondents
Secondary data sources including EMEs’ profiles in their venture websites, community newspapers and magazines were used for cross-checking purposes.

Interviews lasted between 40–80 min and were transcribed. To obtain information on the utilisation of identity work, our semi-structured interviews broadly focussed on EMEs’ entrepreneurial journey within the host country. The interviews began with a brief background of the study then followed with the question “Can you give a brief summary of your journey in business in Malaysia?”, thus organically shaping the content of the data according to the interviewees’ experiences. Then, to further examine EMEs’ adoption of conformance and distinctiveness, we asked our participants a range of questions aimed at getting them to elaborate on their level of host country knowledge (including language skills and host country regulative environment) and networks in the host country as well as what challenges they encountered and how they overcame these.

3.3 Data analysis
The interview transcripts were developed into three main cases (Indonesian, Pakistani and Korean EMEs) and then examined, guided by our main research question. During data collection, data analysis and subsequent iterations of these, the main researcher employed a qualitative data software, QSR NVivo for various purposes including literature sorting, data sources cataloguing and coding. In the next section, we present more in-depth details on our process of data analysis and the findings that emerged from this.

4. Findings
4.1 Background of cases
Almost all of the Indonesian EME interviewees are first generation Indonesians in Malaysia with an exception for one (second generation). The interviewees’ entrepreneurial journey is mainly motivated by opportunities that they saw in the host country. Their migration context is largely attributed to their previous employment assignment in the host country and Indonesia–Malaysia geographical proximity. Examples of their entrepreneurial ventures include Balinese spa and herbal trade focusing on local clientele.

The interviewed Pakistani EMEs in this study are primarily first generation Pakistanis in the host country. “Seeking entrepreneurial opportunities” is their main motivation to migrate to Malaysia and their venture development is attributed to the opportunities that they saw in the host country. Their clients are predominantly host country locals; some venture examples for this case include selling Pakistani and Persian carpets and supplying Pakistan-made surgical products.

All of the Korean EMEs studied in this research are first generation Koreans in Malaysia. Unlike Indonesian and Pakistani EMEs, this study’s Korean EMEs migrated to Malaysia for various reasons. Six participants mentioned that “children’s education” is their main motivation to migrate, while the rest arrived with the intention of lifestyle change and pursuing employment or entrepreneurial opportunities. The ventures conducted by Korean EMEs are mainly focussed on their home countrymen in the host country (logistics services and language training schools for examples) and leverage on Korea–Malaysia ties through transnational trade and tourism operations.

Our analysis centres on the way EMEs utilise identity conformance and distinctiveness in the host country. Here, we acknowledge that as entrepreneurs operating in a foreign land, EMEs’ identity choices could be ideological and influenced by factors emanating from their host and home countries (language barriers and home country knowledge as examples). This is probed in our cases to contextualise the focus of our research. We provide a descriptive tabulated summary of the EME respondents and their ventures for this study, as shown in Table II.
4.2 Cross-case summary

Adopting an exploratory approach, the coding process was conducted within three stages. First, for each case the main researcher inductively extracted 14 codes that were relevant to the primary research question. For clarity and consistency, these codes were numbered. Some examples of these codes included “adherence to rules” and “pursuing niche-based opportunities”. Codes pertaining to identity conformance and distinctiveness were identified and collated into the respective groups. For example, “involvement with local formal networks” was considered identity conformance as it represents an activity of conformance to the host country. In contrast, “involvement with home country formal networks” was considered identity distinctiveness as it represents an identification with EMEs’ home country indicating intentional distinction from the host country.

The codes were organised into relevant themes in the second stage of coding. Six themes emerged, including “host country regulative adherence” and “ties with host country networks”. From these themes, four categories (described in the in the third stage of coding) of identity work were uncovered. The overall coding progression leading to the findings is illustrated in Table III.
4.2.1 Emphasis on identity conformance. To conform to the host country, EMEs from all cases employ identity conformance by adhering to rules pertaining to migration and business in the host country and making minimal modifications towards their ventures (e.g. using the local national language in their advertisements). Essentially the key feature of this aspect is obtaining formal permissions to conduct migrant ventures in the host country, from the host country’s regulative bodies governing licences and permits for migrant business owners. As an example, EI10 who came to Malaysia as a representative for his previous employer in Indonesia and eventually started his herbal trade venture commented that adhering to rules helped him to establish his venture. Although he utilised his distinct Indonesian roots to initiate this venture (depicted in the decision of selling Indonesian herbal products), he considered the similarity of Malaysian and Indonesian culture as an avenue to expand his herbal business which was primarily targeting local clientele. The leveraging of this cultural similarity therefore is complemented with conformance to what is interpreted to be expected from migrant communities, specifically adhering to the host country’s rules and building reputation with the host country networks:

The journey has been long, but I followed the rules throughout, and throughout my years in Malaysia, I have built a strong reputation among the people in the industry, and also the people of the government […] We are operating in a foreign country, no matter how similar your culture is, you always have to follow the rules. (EI10)

In a similar manner, EP10 and EK10 execute home country distinctiveness by utilising home country resources in the host country in conjunction with enacting conformance through satisfying host country regulations. EP10 who operates a surgical equipment trade business between Malaysia and Pakistan and EK10 who conducts a Korean grocery shop clarified the importance of adhering to what is perceived to be expected from migrant communities from the host country population, which is respecting and “following the rules” as an EME in the host country:

If you follow the rules, then your business will prosper. For shipping matters, sometimes it takes a lot of time, and money of course. But I didn’t take the easy way out. So if some problems come up with shipping of my products, the officers are happy to assist me, because my records are clean. (EP10)
The challenges, not just for me, but for foreign business owners are the permits and licenses matters. It is so hard to obtain them. I was working for the license for this business for four years. (EK10)

The EMEs explained that the rules and regulations surrounding EMEs' ventures and overall migration were challenging, yet they chose against pursuing an informal route (illegally setting up shops for example, as documented in earlier research on migrant entrepreneurship) and instead persisted within the challenging legal environment. Regulative-based identity conformance therefore emerges as a threshold condition for the viability of EMEs' ventures. Notably this condition is encountered without compromising on EMEs’ home country identity distinctiveness.

An emerging theme from the analysis shows that EMEs are also able to more strategically utilise identity conformance, an approach which serves to improve access to the host country local market. Access to entrepreneurial opportunities within the local market is facilitated by engaging in relationships with local formal and informal networks and core host country stakeholders. EMEs’ experiences in the host country and perceived country similarities enable them to proactively learn about the local task environment, thereby more effectively facilitating access to host country clients. This is illustrated in the following quotation by EI9:

I had a lot of Malaysian clients when I first started [...] It was easier for me to adapt with a new country, because we share a similar language and culture. (EI9)

EI9, a textile and grocery trader explained that he deliberately leveraged the similarities shared between the host country and his home country. His multi-language abilities derived from Malaysia and Indonesia’s cultural similarities allowed him to enact home country identity distinctiveness while also being perceived by locals as enacting host country conformance activities (communicating and identifying with locals). Thus, similarities in language and culture enabled him to access the host country local market, even during the early stages of the venture. The strategic use of identity conformance also saw EMEs exhibit their relevance and usefulness to local entrepreneurs. This is operationalised through collaborating with host country stakeholders (for instance, collaborating with the host country government officials) and purposefully pursuing entrepreneurial opportunities based on the perceived similarity of their home countries to the host country. Indonesian EMEs, EI1 and EI10 exemplify this aspect of identity conformance:

In principal, I do think that Acehnese are also Malays, Indonesia and Malaysia, there is not much difference. When I first started this business here, there were not many local Malay traders here […] Times have changed, though, now there are more Acehnese traders here, as you can see. Most of these traders are also our dealers. (EI1)

Counterfeiters are working around Malaysia. If we want to confiscate the products, we do not have the capacity […] We also work hand-in-hand with [various host country government bodies] to curb this problem. So far, they have been helpful. (EI10)

From the data, EI1, who is an Acehnese (an Indonesian ethnic group), identifies himself as a Malaysian entrepreneur, or at least a foreign entrepreneur who is not that different from local ones, and one of his activities involves training Malaysian herb traders. In a similar manner, EI10 who is operating an herbal venture explains that during an encounter with product counterfeiting difficulties, he works closely with the host country government, instead of relying on home country networks to eradicate this issue. In this regard, while employing home country distinctiveness by utilising home country resources in their Indonesian herbal ventures, EI1 and EI10 also deliberately and strategically employ identity conformance through collaboration with the host country locals and regulating bodies.
These actions appear to be useful during business expansion stages of EMEs’ ventures, especially when targeting host country local clients, as the EMEs are projecting a sense of togetherness with local clientele and regulative authorities, thereby heightening their legitimacy in the host country. In this sense, a category emerging from our analysis is that of strategic conformance in which EMEs deliberately utilise host country networks as a mechanism by which they can highlight host-home country sameness. This category appears to be unique to Indonesian EMEs in this study, as they are more able to employ home country distinctiveness and strategically emphasise host country conformance. Specifically, Indonesian EMEs’ identity distinctiveness may be perceived as host country conformance by the local market and authorities, thereby blurring the boundaries between the home and host identities.

4.2.2 Emphasis on identity distinctiveness. As entrepreneurs operating in a foreign country, distinct home country qualities emerge as a threshold of distinctiveness for EMEs, through a sense of belongingness within their home country community in the host country. Key features of this category include having home countrymen as a source of business support and a source of entrepreneurial opportunities. A code informing this theme is “maintaining venture” which refers to little to no modifications in EMEs’ ventures in the host country – a projection of foreignness in the host country is a step for legitimacy within their home country communities. In this way, identity distinctiveness is personal in nature; EMEs utilise their home country knowledge for the benefit of their ventures and target market, which is primarily their home countrymen. This category is largely related to EMEs’ home country knowledge and host-home country cultural difference, and mainly demonstrated by Korean EMEs in this study. For example, EK6 who operates a Korea–Malaysia transportation venture, explained that home country distinctiveness attracts home countrymen clients in the host country through their careful focus on home countrymen’s expectations:

Koreans generally will choose us for services compared to local logistics providers […] maybe because of language barriers. We both know the expectations of services in business; for instance, we take our shoes off during pick-ups in the office. (EK6)

Here, while adopting threshold identity conformance through adhering to host country rules and regulations, identity distinctiveness for EK6 is imperative as it exhibits important home country knowledge emanating from personal attachment to EMEs’ home countries and home country customers’ expectations. This is useful for generating support from their home countrymen, especially during the early stages of business. For EMEs, enacting identity distinctiveness by utilising resources generated by their home country networks helps them to start a venture in the host country. Specifically home country distinctiveness enabled EMEs with access to unique advice, support and financial assistance, which are difficult to obtain from conventional host country sources given their positions as migrants and lack of host country knowledge and networks. In a similar vein to EK6, EK4 who came to Malaysia in the 1980s emphasised his use of identity distinctiveness to capture the Korean market during the early days of his Korean–focussed publishing house:

There was a growing Korean community when I first came here, so I grabbed that opportunity to build a publishing company. (EK4)

In terms of networks, a number of narratives from our data show that Korean EMEs are more involved with their home country networks in comparison to host country networks. This is illustrated in the following comments from the Korean embassy representative in Malaysia, KTE:

The Korean community in Malaysia is quite active and cohesive. Probably because of language limitations, they prefer to live in clusters. That’s why it is quite hard for you to see Korean neighbourhoods being scattered. (KTE)
In this regard, Korean EMEs are more involved with home country networks relative to Indonesian and Pakistani EMEs. Home country belongingness emerged as a threshold for identity distinctiveness, a category enabled by home country networks and facilitated by home country support in the host country. This category is mainly demonstrated by Korean EMEs in this study as strategic host country conformance (through language and networking with locals) is costly and less feasible, thus more emphasis is placed on home country identity distinctiveness for basic home country support, often during the early stages of business.

Another dimension of identity distinctiveness to emerge from our analysis is more strategic in nature and goes beyond that of threshold distinctiveness. This form of identity distinctiveness is employed by EMEs by focusing on home country relations transnationally, or emphasising the transnational value of their home country within the host country setting. For example, EP10 leveraged the transnational quality of his position in the host country and his home country knowledge by building a factory (in Sialkot, Pakistan) with the purpose of economically supplying products that could be sold in Malaysia. His home country knowledge emanating from his identification to his home country (home country distinctiveness), encouraged him to pursue transnational-type opportunities in his home country, while carefully navigating the perceived normative differences with the host country:

I have invested in Sialkot. With a 50-50 percent share with my partner, we managed to buy a factory, and this factory is manufacturing surgical instruments that I am selling [...] forceps, knives and all that. My friend, who has a background in technical manufacturing, manages that operation [...] The Malaysian culture of business is that, you have to have loans in order to start a business. It is not like that, you can use your money. But I don’t like loans. I do not prefer using them. (EP10)

EK8 on the other hand utilises his home country knowledge, deriving from his home country distinctiveness to operate a Korea–Malaysia transnational tourism operation, while conforming to the host country through understanding the business environment:

I have a managing office in Korea, in Seoul, the office manages the tourists from Korea who wants to come and visit Malaysia. They work the marketing side of things, while I run the operation here in Malaysia [...] I have accepted the Malaysia way of working [...] because I understand the different way of working. (EK8)

From these examples, we can see that EMEs can utilise their home country identities in a strategic way. Specifically, their home country allegiance and knowledge provides unique opportunities for their ventures, thereby reinforcing and leveraging their uniqueness and distinctiveness. Thus, based on these findings we can see, mainly exemplified by Pakistani and Korean EMEs, that home country distinctiveness can quite effectively be employed strategically in a way that goes beyond threshold distinctiveness.

4.2.3 EMEs’ identity work. Closer examination of this EME data reveals that threshold-wise and strategic-wise, EMEs from Indonesia primarily concentrate on merging their home country identity with the host country identity through conformance in such a way that differences between the home and host countries are minimised or blurred. In contrast, we find that other EMEs (most evident in Korean EMEs and to a lesser extent Pakistani EMEs) strengthen and purposefully leverage their distinctiveness from the host country. Building on these results relating to the blurring and reinforcing of differences, our research suggests that identity work in the context of ethnic migrant entrepreneurship can be categorised in four ways: threshold conformance, threshold distinctiveness, strategic conformance and strategic distinctiveness. This is summarised in Table IV, discussed in the following section.
5. Discussion

5.1 Conformance by blurring boundaries

In the context of entrepreneurship, identity conformance is reflected in the way entrepreneurs conform to the local business environment by adhering to what is regarded as most important and accepted among core stakeholders (O’Neil and Ucbasaran, 2016). Notably, while exhibiting varying forms of conformance and distinctiveness overall, it was found that all EMEs in our study employed threshold efforts of identity conformance in the host country by adhering to the host country’s regulative bodies and obtaining formal permissions to conduct their migrant ventures in the host country. This is depicted in Category 1 in our model. Actions constituting regulative conformance tend to be visible; for instance, it is typically important for EMEs to clearly demonstrate conformance to the host country’s expectations by adhering to the host country’s rules and regulations. As this category is applicable to all cases studied in our research, it is suggested that Category 1 to be considered a legitimacy threshold; it is only once that has been achieved that members are able to pursue (threshold or strategic) identity distinctiveness or (strategic) conformance as deemed most appropriate to their needs. That is, drawing on OD theory (Brewer, 1991), we argue that EMEs’ most optimally distinctive identity can only be realised once a baseline level of legitimacy has been achieved through this threshold conformance.

There is also evidence of identity conformance that goes beyond this threshold based, regulative adherence that is more strategic in nature. This is evident in EMEs’ efforts to anticipate and conform to key expectations within their task environment (Suddaby et al., 2017) through the development and leveraging of host country knowledge. For instance, some EMEs employ identity conformance by engaging with local formal and informal networks and core host country stakeholders which leads to trust-building and

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**Table IV.**

<table>
<thead>
<tr>
<th>Emphasis of identity work</th>
<th>Organising dimensions</th>
<th>Conformance</th>
<th>Distinctiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Category 1</td>
<td>Category 2</td>
</tr>
<tr>
<td>Threshold Mechanism</td>
<td>Host country regulative adherence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus</td>
<td>Regulative bodies governing licences and permits for migrant business owners in the host country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key feature</td>
<td>Legitimacy threshold – must be achieved before undertaking further conformance and/or distinctiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Found in...</td>
<td>EMEs from all cases</td>
<td>Korean EMEs</td>
<td></td>
</tr>
</tbody>
</table>

| Strategic Mechanisms    | Ties with host country networks | Ties with host country networks |
| Focus                   | Host country stakeholders and networks | Opportunities based on host country knowledge |
| Key feature(s)          | Deliberately merging host-home country boundaries to garner home country local support | Proactively highlighting boundaries for transnational entrepreneurial opportunities |
| Found in...             | Indonesian EMEs                | Pakistani EMEs                  |

930
entrepreneurial opportunities with host country locals. In this regard, EMEs’ migrant ventures are framed as being complementary to local entrepreneurs’, and not only competing with them. As an example, EI1 provides training for local entrepreneurs within the industry he is operating in. This serves to assure host country locals that EMEs are “on their side” and contributing to the host country without having to resort to fully conforming with or imitating local entrepreneurs. In this study, only EMEs from Indonesia were found to employ this type of identity strategy, something which we believe can be explained by their host country experience and perceived country similarity. This is depicted in Category 3 of our model (Table IV) and involves strategically blurring the boundaries between home country distinctiveness and host country conformance.

Based on these results relating to EMEs’ legitimacy building through identity, we develop the following proposition:

**P1.** EMEs adopt identity conformance by blurring the boundaries between the host country and their home countries.

### 5.2 Distinctiveness by strengthening boundaries

In this study, identity distinctiveness is linked with EMEs’ exploration and utilisation of home country identities and resources. Each migrant community in a host country has access to different forms of unique home country resources, which can be converted into entrepreneurial activities (Vershinina et al., 2011).

As illustrated in Category 2 of our model, threshold identity distinctiveness centres on EMEs’ home country belongingness. EMEs within this category tend to be more focussed on fulfilling the expectations of their home countrymen in the host country which represents a fundamental form of distinctiveness in the host country. EMEs in this category place heavier emphasis on home country distinctiveness, after achieving threshold conformance (Category 1). This enables them to access home country resources to assist their entrepreneurial development in the host country; some EMEs benefit from the support of their home countrymen as a customer base while other EMEs in this category receive information on opportunities through their continued membership and inclusion within home-country-based associations in the host country. Our findings provide evidence that this category can be found in Korean EMEs; given the limitations of their host country knowledge, it is more feasible for Korean EMEs to reinforce rather than merge host-home country boundaries in order to obtain home country support in the host country.

EMEs can also employ a more proactive or strategic-based form of identity distinctiveness (illustrated in Category 4 in our model) by utilising home country networks and opportunities transnationally. The key features of the dimensions within this category centre on EMEs’ deliberate efforts to emphasise country differences and to leverage home country resources for transnational procurement and entrepreneurial activities. This unique access to novel resources offers EMEs a competitive edge in comparison to local entrepreneurs in the host country. Our results indicate this category is most applicable to Pakistani and Korean EMEs. In particular, EP10’s investment in a surgical manufacturing factory in Pakistan which enabled transnational procurement and EK8’s tourism operations which are managed in both Korea and Malaysia show that identity distinctiveness can be utilised strategically for the purpose of transnational entrepreneurial activities. As such, we find that highlighting differences by strengthening boundaries – through the leveraging of home country knowledge and resources – is a useful mechanism in the employment of distinctiveness.

In sum, we postulate that EMEs can build legitimacy in the host country by emphasising boundaries with the host country. The effectiveness of this approach arises from
EMEs’ access to unique home country resources and opportunities, both locally and transnationally. Based on these findings, we develop the following proposition:

\[ P2 \text{. EMEs employ identity distinctiveness by strengthening boundaries between the host country and their home countries.} \]

5.3 Nation-based variations in identity work

Our results provide evidence that the adoption of identity conformance assists EMEs’ legitimacy building as it enables access to formal permissions (e.g. business licenses, permits and general adherence to regulation) and to develop trust and productive relationships with local entrepreneurs and core stakeholders (i.e. shows that EMEs are complementary to local entrepreneurs, and not just competing with them).

In certain circumstances however, EMEs may place a heavier focus on identity distinctiveness to build legitimacy as solely emphasising identity conformance can prove costly (Kistruck et al., 2015); looking and acting like local entrepreneurs for legitimacy attainment can be unfeasible for some EMEs. Home country resources for EMEs, which include economical co-ethnic hiring and procuring products unavailable in the host country (Kulchina, 2016) provides one possible means of enacting identity distinctiveness through home country allegiance.

Our results indicate that EMEs from Indonesia predominantly emphasise identity conformance, while Korean EMEs are more inclined to utilise identity distinctiveness. Through their networks and familiarity with the host country, we find that Indonesian EMEs are more able/inclined to utilise their host country knowledge than Pakistani and Korean EMEs. This is apparent in their relative strong focus on identity conformance. In contrast, for Korean EMEs, their home country knowledge appears to allow for more qualities of identity distinctiveness, which in turn provides a competitive edge against local entrepreneurs, enabling them to focus on transnational opportunities. As such, in the context of legitimacy building and ethnic migrant entrepreneurship, we propose that the nexus between EMEs’ home and host countries is highly influential in the employment of EMEs’ identity work:

\[ P3 \text{. The way in which EMEs’ identity work is utilised in a host country differs according to EMEs’ home country through their level of host and home country knowledge.} \]

5.4 Legitimacy building through identity work for EMEs

In this study, identity work is conceptualised as the efforts taken by EMEs to build legitimacy through identity conformance and identity distinctiveness. The findings provide evidence that EMEs merge or blur host-home country boundaries through conformance and strengthen host-home country boundaries through distinctiveness. Such steps involve both threshold and strategic forms of conformance and distinctiveness (identity work), as depicted in Table IV.

Drawing on the idea of OD (Brewer, 1991) and its connection to identity and legitimacy (O’Kane et al., 2015; Suddaby et al., 2017; Marlow and McAdam, 2015; Zhao et al., 2017), our findings provide further evidence that it is difficult for EMEs to simply “become” host country locals. Instead they exhibit various levels of alignment to the host country by adhering to the expectations of the host country (as examples, obeying host country rules and regulations and making modifications in their ventures to suit the host country clients) in order to build legitimacy. Contrasting this approach, persons of diaspora such as EMEs can deliberately emphasise their distinctiveness from the host country, an alternative approach which also facilitates legitimacy building by emphasising host-home country boundaries. Thus, in relation to our main research question, this study suggests that EMEs balance belongingness and uniqueness in the host country by enacting and balancing home country and host country-based identities through boundary work. These approaches are
both facilitated and determined by their access to resources and opportunities in their host and home countries. Although conformance and distinctiveness are valuable for EMEs in the host country, the extent to which they are utilised varies according to EMEs’ home country through their level of host and home country knowledge.

6. Conclusion
How are identities shaped to fit in a certain environment? In addressing this issue, we explore how EMEs employ identity work in a cross-cultural setting to build legitimacy in a host country.

Through a qualitative design, the findings were organised into cases of Indonesian, Pakistani and Korean EMEs. The cases show that in building legitimacy, EMEs balance their alignment and uniqueness in the host country by both blurring and strengthening host-home country boundaries. We present a model categorising identity work and develop three propositions around the utilisation of identity work to build legitimacy in the context of ethnic migrant entrepreneurship. Drawing on ODT in the context of EMEs, the findings show how identity work is operationalised through the careful management of host-home country boundaries, thus offering an alternative interpretation of the prevalent ideas of identity in organisation studies (focusing on sameness or isomorphism) and entrepreneurship (focusing on uniqueness).

Practice-wise, we show that EMEs can act as agents that undertake international business activities by utilising their home country identities in the host country, a finding which provides important implications for international entrepreneurs and policy makers within the domain of trade and migration.

As OD is employed through a dynamic balance of identity conformance and distinctiveness, an important point to be raised is that the categories proposed in our model may not necessarily be binary. It may be more helpful to consider these categorisations placed along continuums relating to “level of distinctiveness” (rather than conformance vs distinctiveness) and “level of pro-activeness” (rather than threshold vs strategic). Nevertheless, in its current form, we believe our study presents novel and important categories and dimensions of identity work for OD in the context of migration, which can perhaps be examined in more depth in the form of a continuum-based model by future researchers. We also encourage future studies to further tease out the concepts of identity and legitimacy in different settings to enrich the identity work discourse, especially on topics relating to persons in diaspora, including EMEs, expatriates and international workers.

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Building entrepreneurial potential abroad – exploring return migrant experience

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Abstract

Purpose – The purpose of this paper is to examine how entrepreneurial potential is built abroad during the periods of EU economic migration and how this affects the entrepreneurial behaviour of individuals after returning to their home country.

Design/methodology/approach – A mixed-methods approach was employed via developing a structured interview discussion guide with open and closed questions centred around the topic of migration, reasons for starting a business and capital (e.g. human, financial, relational) gained abroad. The study covered 54 Polish return entrepreneurs identified through random purposive sampling.

Findings – The findings suggest an important role of migration on the decision to start a business as almost half of the respondents formulated a business idea during the migration. The capital gains affecting entrepreneurial potential development were mostly observed in terms of financial and human capital with relational capital only applied to a business idea. This may explain individual preferences to setting up a business when returning to the home country. Overall, the findings confirm the important role of economic migration in building the entrepreneurial potential of returnee entrepreneurs.

Originality/value – The study explores an alternative to the mainstream assumptions on migration by investigating entrepreneurial individuals, processes and practices that happen during reverse migration. Furthermore, by applying the resource-based view of the firm theory, this research expands the understanding of the inter-relationship between processes of economic migration and entrepreneurial potential development.

Keywords Entrepreneurs, Immigrants, Human capital, Resource-based theory

Paper type Research paper

Introduction

The main aim of this paper is to present the results of exploratory research conducted on a group of Poles who had migrated to Western European countries and returned to Poland where they decided to set up a business. In this paper, a conceptual theoretical model is explored which presents causal relationships between economic migration, the benefits of working abroad and entrepreneurial potential. The abovementioned issues have been widely covered in the literature but in the context of the host country. There is, however, a limited number of articles discussing the entrepreneurial behaviours of returning migrants.

Our study adds to the investigation on how and why entrepreneurship emerges, which has been the most recent postulate in entrepreneurship research. Welter et al. (2017) argue that in order to develop theoretical contributions, scholars need to observe a multiplicity of perspectives on entrepreneurship, which may refer to the drivers of specific entrepreneurial actions or to different factors that shape the general outcome in a specific context. Moreover, according to Nazareno et al. (2018), contexts and conditions in both the host and home
countries can positively or negatively impact the ability and willingness to set up own business. Following the call for contextual research, this paper examines:

**RQ1.** How entrepreneurial potential (in form of resources) is built abroad during economic migration (in particular: what form of capital could be gained while being abroad?; how do migrants accumulate these capitals?)?

**RQ2.** How this affects the entrepreneurial behaviour of individuals after their return to their home country?

**RQ3.** Which of the capitals gained abroad are used in entrepreneurial activity?

The paper is underpinned by the academic literature on entrepreneurship and migration; these are a priority for national and international competitiveness agendas. The debate on the implications of migration is a long-standing and ever increasingly important issue. Moreover, recent analysis has confirmed that the majority of migrants eventually return to their home countries (OECD, 2008) and up to 50 per cent return within the first five years of migration. The research presented in this paper contributes to the discussion about the role migration can play in economies and societies (Welter et al., 2017), with the focus on returnee entrepreneurs. Furthermore, this research expands the understanding of the inter-relationship between the processes of migration and the development of entrepreneurial potential. In this study, the term “reverse migration” is applied to describe the process of returning home after living in a foreign country.

To present a clear understanding of the approach and findings, the remainder of this paper is divided into five sections. The first covers theoretical background of the study, referring to migration issues in the EU context (including reverse migration) and to the concept of entrepreneurial potential (based on entrepreneurship and the resource-based view of the firm). In the second section, the research model and the main goals and propositions are presented. In the third section, the results of the study are analysed, which is followed by a discussion. Finally, a brief conclusion summarises the main points and proposes avenues for further study.

**Theoretical background**

**Economic migration and reverse migration in the EU**

The reasons for migration vary. They are affected by individual circumstances, which are largely based on an informed choice and may fluctuate between economic and other reasons. This study focusses only on economic migration, to which economic push–pull theory (King, 2012) can be applied. According to this approach, the decision to seek employment in another country can be based on push factors in the home country (e.g. lack of employment opportunities, societal or civil unrest) or pull factors in the prospective host country (e.g. increased employment opportunities, financial reward or better overall living standards) (Zikic, 2015).

The eastern enlargement of the EU has stimulated the mobility of workers between New and Old Europe from 2004 onwards. This has led to an increase in fears of a huge influx of migration and its negative effect on the receiving countries’ labour market combined with shopping attitude benefits (cf. Holland et al., 2011; Kahanec et al., 2010). However, Zaiceva and Zimmermann (2012) suggested that this was mostly a temporal movement initiated by economic conditions (also Marques, 2010) and the commonly referred to “brain drain or gain” has been replaced by brain circulation. Furthermore, it is suggested that returnees are more likely to migrate again if capital gains become higher. Thus, repeat and circular migrations are expected to replace one-way migration in the EU context, which may improve the efficient allocation of migrant resources. Zaiceva and Zimmermann (2012) argue that from the labour market perspective, migrants are very responsive to economic cycles and act as “buffers” in regulating the labour market in both host and home country.
This also leads to the assumption that repeat or circular migration is of benefit to both countries and migrants. Thus, highly flexible migration leads to a triple win situation and should be encouraged by stakeholders.

Despite the fact that the process of economic migration (from Eastern Europe countries to the Western countries) is still very common, a reverse trend can be observed. It is noticed that many people who have previously decided to migrate return to their home countries. Different migration theories address the determinants of return, either from perspectives of failure or success (cf. Cassarino, 2004). In this paper, the new economics of labour migration (NELM) approach is applied. This approach sees return as a logical step after economic migrants gather sufficient knowledge and finance to invest in their home country (de Haas et al., 2015). Moreover, in most cases, a return happens when some pre-defined objectives are achieved, such as completing education or accumulating the expected amount of wealth. Thus, a decision to return may be linked to various factors, such as: preference for consumption in the home country, family and other networks at home, differences in relative prices between countries, the possibility of increasing human capital with guarantees of higher returns at home.

The benefits of reverse migration have been observed in home countries through the increase in human capital, productivity and employment. The sending countries also benefit from high level of remittances (especially from temporary migrants with strong connections to the home country and return plans). Reverse migration may also enhance trade and investment, especially in the case of skilled migration; however, all the effects are influenced by migration policies and their success in supporting circular migration (Constant and Zimmermann, 2011).

Evidence of the reverse migration effect can be also traced in the literature about return migrants’ entrepreneurship. Recent entrepreneurship research has focussed on returnees’ role as “super entrepreneurs” with the view that such individuals will affect the rate of business start-ups and job creation (Naude et al., 2015). Research on occupational choice and business activities of return migrants shows that capital accumulated abroad (mostly financial and human) positively impacts entrepreneurship among this group (de Haas, 2006; OECD, 2008; Naude et al., 2015). Nevertheless, Lianos and Pseiridis (2009) argued that the amount of remittance sent back, the acquisition of further qualifications and the duration of migration decreases the likelihood of self-employment. The initial results on post-enlargement countries suggest more likelihood of self-employment in samples (e.g. Martin and Radu, 2012), which has been reinforced by most recent literature on entrepreneurship. This study will add to this debate by investigating how economic migration impacts on the development of entrepreneurial potential.

The role of resources in starting a new business
It could be argued that resource acquisition is essential for successful engagement in an entrepreneurial activity (Qin et al., 2017). Nevertheless, different resources need to be attained to deliver expected outcomes. According to Barney’s (1991) resource-based view (RBV) theory, firm resources can be divided into the following three categories: physical capital (plant, equipment, location); human capital (skills, knowledge, experience); organisational capital (structure, internal systems and relationships among groups within a firm and between a firm and the business environment). Despite the fact that RBV theory was developed mainly with regard to large enterprises, it is applicable to all companies, even those run by the self-employed. Thus, according to Firkin (2001), RBV attracts the attention of the researchers while analysing entrepreneurial behaviour.

Kellermanns et al. (2016) suggest that the entrepreneurial context requires a specific conceptualisation as different dimensions of resources can shape entrepreneurial outcomes. They identified that for entrepreneurial practice, human capital, organisational capital, financial capital, physical capital and relational capital are most relevant. On the basis of these findings, it can be proposed that the capitals that affect entrepreneurial
potential at the start-up stage are human, financial and relational capital whereas organisational and physical capitals are more related to established organisations.

Financial capital includes monetary assets and all other assets that can be easily converted into money (Firkin, 2001; Galbreath, 2005). Depending on the business profile, the stock of financial capital can be used either to invest in tangible assets (machinery, equipment, premises) or in intangible resources (brand, know-how or customer acquisition).

Human capital includes the knowledge, skills, attitudes and abilities (Schultz, 1961; Becker, 1962) which an individual possesses and may use in the process of setting up a new venture. It refers to general knowledge and skills (obtained during education), and to industry-specific knowledge and skills (obtained mostly through occupational experience and training) (Becker, 1962; Firkin, 2001). The industry-specific components of human capital that refer to implemented processes, schemes and know-how might become the foundation of the organisational capital (Squicciarini and Le Mouel, 2012) of a future company.

While analysing the role of human capital, the level of educational attainment should also be considered. Jayawarna et al. (2014) found that credentials are negatively associated with entrepreneurial potential as higher qualifications can block risk-taking. Additionally, they found that vocationally oriented courses provide advantages in setting up a business. This suggests that even though highly skilled individuals are better qualified to become entrepreneurs, in many cases, they have more opportunities to select secure, well-paid employment (Astebro and Bernhardt, 2005).

Relational capital includes all relationships an individual has with other people and with institutions or business partners (Capello and Faggian, 2005). Relational capital is built on the basis of social capital, which is defined in terms of mutual relationships that link different actors in the network (Lin, 2001). However, on the basis of the literature review, Still et al. (2013) found that these two terms are distinct and using them is important for the study of the intangible resources of organisations. Relational capital not only encompasses the value of customer relationships, but also the value of relationships with shareholders, governments, partners of strategic alliances and research institutes, as well as the knowledge of market channels and other external networks linked into the organisational value chain (Ordonez de Pablos, 2003).

The development of entrepreneurial potential
Taking into account that the entrepreneurial potential could be understood as “an individual’s preparedness to engage in typical entrepreneurial activities” (Santos et al., 2013, p. 4), we define entrepreneurial potential in this study as the combination of human, financial and relational capital that one can use to establish a new venture in a particular business environment. Moreover, we suggest that these capitals can be compensated by each other. For example, an insufficient stock of financial capital can be balanced with a higher stock of human and/or relational capital. The conceptualisation of this definition is presented in Figure 1, where the term “business environment” refers to external factors (such as local infrastructure, demographics, economy, law, demand for particular goods or services, etc.) that may impact the possibility to start-up a new enterprise.

Migration and capital enhancements
Taking into account the reasons behind economic migration, migrants’ occupational activities and the process of capital accumulation, it seems that migration can offer an invaluable opportunity for capital gains. This happens especially in situations where migrants believe they have a lot to gain by migrating (cf. Cerdin et al., 2014) or have a higher motivation to perform, especially if they have to support their families (Zikic, 2015). Furthermore, Vershinina et al. (2011) found that differing origins and forms of capital impact the conversion of this capitals into a desirable outcome in a host country the focus
on the ways capital can be gained abroad and converted into entrepreneurial activity appears to be relevant to this study. Looking from the perspective of developing entrepreneurial potential, we propose that the enhancement of capitals (financial, human and relational) achieved during migration can be a foothold for setting up a business after returning to the home country. This links to the resource mobilisation argument proposed by Cassarino (2004). Moreover, it is supported by the research of McCormick and Wahba (2001), who found that savings gained in a host country, time spent abroad and experience with a more advanced commercial environment increase probability of starting own business in a home country.

According to Firkin (2001), any business needs staff, suppliers, materials and financial assets, which are the inputs the entrepreneur transforms into outputs offered to customers. These components can be acquired in different ways. Financial assets can be obtained from bank loans, grants, business angels, venture capital and other funds. However, in many cases, it is very difficult for people who want to start their own business to apply for these funds in their home country. In such cases, economic migration creates the possibility to achieve higher earnings and save money while working abroad; this may, in turn, be used to fund own business in the home country. It is worth noting that concerning economic migration, in many cases, the cost of setting up and running a business in the home country is lower than in the host country. Thus, considering the economic conditions, migrant’s savings can be insufficient to become an entrepreneur in a host country but are enough to start their own business after returning. We, therefore, propose the following:

**P1.** Working abroad provides returnee migrants with savings required for starting a business in the home country.

Similarly, on the basis of the human capital approach present in theories of migration (Molho, 1986), it can be assumed that working abroad adds to human capital development. Working in another country provides an opportunity to enhance knowledge and skills by attending training courses or through learning by doing. Moreover, working abroad makes it possible to access different forms of employment or even reshape career paths. Observing business processes, procedures and schemes may result in an idea for a business an individual wants to run. Thus, we propose that:

**P2.** Working abroad increases returnee migrants’ human capital, which can be used in starting a business in the home country.
Living and working abroad creates the possibility to develop (and in some situations, forces the creation of) new relationships both at work and in everyday life. This may result in building a network one can use while running own business. However, according to Ryan (2011), the possibility to build networks abroad may depend on economic and social status. In many cases, due to language deficiency or occupational status, migrants have low economic status and their social position can decrease (compared to status in the home country). On the basis of the research conducted on a group of Polish migrants, Ryan (2011) claimed that shared interests, similar careers, educational background and common interests were insufficient to build valuable networks in a host country. Despite the fact that such obstacles may appear, migrants establish new relationships in a host country, which in many cases are based on occupational activity. Moreover, connections with organisations supporting entrepreneurs can be developed in a host, as well as in a home country. Additionally, according to Nazareno et al. (2018) individuals migrate not only for education, training or work but also to network and collaborate with their home country counterparts. Thus, migration can provide returnee migrants with relational capital gains. With that in mind, we propose that:

**P3.** Working abroad enables returnee migrants to create relationships, which can be maintained after returning to the home country and can be valuable for starting a business in the home country.

It can be concluded that migration creates the possibility for financial, relational and human capital enhancements. These capitals are the foundation of entrepreneurial potential and can be used to set up a new business in a particular business context in a home country. However, there are many factors that determine the possibility to enhance different forms of capital. In the case of financial capital, these factors may refer to the type of employment, salary level, costs of living and amount of money sent to family in a home country. According to relational capital, these determinants may refer to those enumerated by Ryan (2011), e.g., occupational status, language fluency or ambitions. In the case of human capital, increases in skills and knowledge can vary due to the tasks performed on the job or the number of training activities provided by the employer.

**Theoretical conceptual model**

On the basis of the literature review, the causal model shown in Figure 2 was developed. It is proposed that working abroad can provide capital gains by:

- Increasing the value of human capital – migrants can gain new knowledge, skills and change their attitudes, or even develop ideas for business activities.

- Building relationships – for example, with suppliers or customers or by finding business partners.

- Providing funds – in general, the income gained abroad is much higher than in the home country and savings can be used to set up a new business.

**Figure 2.** Theoretical model
Capital enhancement increases an individual’s entrepreneurial potential, which can be seen in the willingness to start a business in the home country. This model also assumes that the return migrants might not have planned to start their businesses when migrating and the idea to set up their own venture could have arisen while in a host country or after returning to the home country.

**Research method, sample and procedure**

**Methods**

To investigate the development of entrepreneurial potential during EU economic migration, this study focussed on exploring the capital gains on a sample of Polish returnee entrepreneurs. This was performed with the use of a convergent parallel mixed method design, combined with a holistic approach (Cameron, 2009). There is no doubt that such an approach fits the reverse migration, which is a complex phenomenon as different processes and interaction happen across international borders over a significant period of time. The rationale for this approach is that a single methodology (whether qualitative or quantitative) is insufficient to answer different types of questions. By synthesising complementary quantitative and qualitative results, a complete understanding of a phenomenon can be developed. The mixed-methods approach is recommended when qualitative data and its analysis can refine and explain statistical results by exploring participants’ views in more depth (Creswell et al., 2003; Tashakkori and Teddlie, 1998). Furthermore, the purpose of the convergent design is “to obtain different but complementary data on the same topic” (Morse, 1991, p. 122) to best understand the research problem. It is an efficient design in which both types of data are collected during one phase of the research at roughly the same time (Creswell and Plano Clark, 2007). This will be applied in this research by using a single study covering two data sets of questions, followed by mixed-methods analysis and interpretation.

**Data collection and analysis**

Similar to Coniglio and Brzozowski (2016), “computer-assisted telephone interviewing” technique was used to collect data. As the main aim of this exploratory study was to verify a capital gains research model, the structured interview consisted of questions clustered into the following sections: occupational status before migration, reasons for migration, occupational status in foreign country, reasons for returning, type of business in the home country, and forms of capital gained abroad. Structured interviews are fairly quick to conduct which means that many interviews can take place within a short period of time. Using a telephone-based system also permitted the coverage of a wider geographical area. Thus, even if this limits the depth of data, we deem it sufficient for exploratory study.

Following a mixed-methods approach, multiple-choice, closed- and open-ended questions were used during the interview. This resulted in gathering both quantitative and qualitative data which was compiled and analysed with the use of STATISTICA software. By combining both types of questions in one research instrument, issues of sample inequality were avoided (Creswell and Plano Clark, 2007). Furthermore, a larger sample could be obtained resulting in the findings being more representative and having the ability to be generalised to a larger population, capturing respondents’ opinions and experience at this same time. The data were collected and analysed in Polish to avoid any language misunderstanding issues.

**Sample description**

The sample consisted of 54 former migrants who had returned to Poland and started their own business. Polish returnees could serve as a good example as according to Martin and Radu (2012), Poland observed the largest proportion of returnees of all accession countries (7.97 per cent), which was later confirmed in the study of Zaiceva and Zimermann (2012).
Koehler et al. (2010) also suggested a slowing down of emigration and an increase in return and circular movements in this country. Another study (Smoliner et al., 2012) found that most returnees do not lose connections with their home country during migration, which may help them to re-integrate after returning. The findings of Zaiceva and Zimmermann (2012) also propose that the majority of returnees were employed while abroad, supporting the argument of economic migration. In our sample, the majority of migrants returned from the UK to Poland.

The database of The National Bank of Poland was used to select a random, purposive sample. In the sample, only those returnees who had been employed abroad and spent more than a year in a host country were selected for the interview (to exclude seasonal migration). Furthermore, to reduce possible bias in the respondent selection, entrepreneurs from across the whole of Poland were approached. Even though the sample cannot be considered as representative, the data represents the first attempt to map reverse migration entrepreneurship. Sample characteristics are presented in Tables I–III.

It can be noted in Table I that the entrepreneurs were mixed age and gender with various lengths of business ownership in the home country. Furthermore, the majority of returns happened recently, within the last five years or less (61 per cent).

Based on the entrepreneurs’ background (Table II), most of the investigated returnees had a low level of education. More than half of the sample (56 per cent) had a general secondary education and 22 per cent of respondents had a secondary vocational level of education. In regard to the occupational status before migration, only 4 out of 54 were running their own business, 20.4 per cent of respondents were unemployed at the time of migration and 18.5 per cent had just been made redundant. This confirms the economic migration focus of this study.

Taking into account the type of business entrepreneurs run in the home country (Table III), it can be observed that almost all of them operated in services and in industries that are not knowledge-intensive. In particular, 27.8 per cent operated in construction/interior work, 11.1 per cent in retail, 18.6 per cent in services for the general public, 7.4 per cent in catering/gastronomy and 7.4 per cent in transport services. Moreover, in 52 per cent of cases, these businesses operated in local markets and 26 per cent in regional.

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<td>Gender</td>
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<td>46 and above</td>
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<td>Return to home country</td>
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<td>2000–2008</td>
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<td>2009–2011</td>
<td>10</td>
<td>18.5</td>
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<tr>
<td>2012–2014</td>
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<td>22.2</td>
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<tr>
<td>2015–2017</td>
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<td>Length of business ownership in the home country (in months)</td>
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<td>Up to 18</td>
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<td>19–36</td>
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<td>37–72</td>
<td>12</td>
<td>22.2</td>
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<tr>
<td>More than 72</td>
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Source: Authors’ research
Results

Human capital gains

Most of the respondents (82.2 per cent) claimed they had acquired new knowledge abroad (see Table IV); this corresponded most frequently to their initial occupation, but in one in three cases, it helped migrants to deliver new tasks related to a new occupation. This new knowledge was mostly acquired by fulfilling complex and varied tasks and by following instructions provided by more experienced colleagues or acquaintances. Thus, it can be
assumed that in most cases, respondents were learning by doing, and this process was rather informal. Interestingly, in almost 40 per cent of cases, new knowledge acquisition resulted from self-initiated actions (self-financed training or courses and self-study). More respondents (87.8 per cent) reported the development of new skills than reported the acquisition of knowledge. Moreover, in 53.7 per cent of cases, these skills helped them to fulfil new tasks within their initial occupation. Similar to knowledge acquisition, skills development was achieved through informal techniques. One out of every three interviewees claimed that fulfilling complex and varied tasks was the most beneficial activity for skill development. Of those interviewed, 22.2 per cent followed instructions provided by more experienced colleagues or acquaintances.

Over half (51.9 per cent) of all returnee entrepreneurs found their acquired knowledge to be either a primary factor (13.0 per cent) or very important (38.9 per cent) in running their businesses in Poland. None claimed not to use it at all (see Table V). However, acquired skills seemed to be less important than knowledge in running own business. Only 9.3 per cent of entrepreneurs found these skills to be the primary factor, and 38.9 per cent believed them to be very important. Moreover, merely 6 per cent of entrepreneurs did not use acquired skills in their business activity.

Entrepreneurs were also asked if any specific skills/knowledge were required when starting a new venture. In total, 38.9 per cent respondents confirmed that they made use of either industry- or firm-specific skills/knowledge. In this group of entrepreneurs, two out of three claimed they had acquired them while being abroad.

---

**Table IV.** Knowledge and skills acquisition

<table>
<thead>
<tr>
<th>Have you acquired new knowledge while being abroad?</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I gained new knowledge that directly corresponds to my initial occupation</td>
<td>21</td>
<td>38.9</td>
</tr>
<tr>
<td>Yes, I gained new knowledge which helped me deliver new tasks</td>
<td>18</td>
<td>33.3</td>
</tr>
<tr>
<td>Yes, I gained new knowledge that did not correspond to the occupation in which</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>I was initially trained but helped me to find a job in a different field</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No, I did not gain any new knowledge</td>
<td>15</td>
<td>27.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How have you acquired new knowledge?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>By fulfilling complex and varied tasks</td>
<td>18</td>
<td>33.3</td>
</tr>
<tr>
<td>By instructions provided by more experienced colleagues/acquaintances</td>
<td>18</td>
<td>33.3</td>
</tr>
<tr>
<td>By attending training provided by the organisation I worked for</td>
<td>6</td>
<td>11.1</td>
</tr>
<tr>
<td>By attending training or courses which I financed myself</td>
<td>7</td>
<td>13.0</td>
</tr>
<tr>
<td>Through self-study</td>
<td>14</td>
<td>25.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Have you developed skills while being abroad</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I have developed skills that directly correspond to my initial occupation</td>
<td>8</td>
<td>14.8</td>
</tr>
<tr>
<td>Yes, I have developed skills which have helped me deliver new tasks</td>
<td>29</td>
<td>53.7</td>
</tr>
<tr>
<td>Yes, I developed skills that did not correspond to the occupation in which I</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>was initially trained but helped me to find a job in a different field</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No, I have not acquired new skills while being abroad</td>
<td>12</td>
<td>22.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How have you acquired new skills</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>By fulfilling complex and various tasks</td>
<td>18</td>
<td>33.3</td>
</tr>
<tr>
<td>By instructions provided by more experienced colleagues or acquaintances</td>
<td>12</td>
<td>22.2</td>
</tr>
<tr>
<td>By attending training provided by the organisation I worked for</td>
<td>6</td>
<td>11.1</td>
</tr>
<tr>
<td>By attending training or courses which I financed on my own</td>
<td>1</td>
<td>1.9</td>
</tr>
<tr>
<td>By observing more experienced co-workers</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>In another way</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Note:** In this paper, “initial occupation” refers to the occupation for which the individual was initially trained.

**Source:** Authors’ research
Relational capital gains

Most of the respondents (72.2 per cent) did not set up new relationships while abroad which helped them run their current business (see Table VI). Moreover, of those who developed relationships, 27.8 per cent claimed that they had done so with Poles, either living in Poland (13.0 per cent) or living in a host country (14.8 per cent). Only 9.3 per cent established business-related relationships with people from other nationalities.

The relationships set up while abroad mainly resulted in creating business partnerships in the form of cooperation in customer acquisition or completing orders. In some cases, respondents also acted as suppliers or customers. Only one entrepreneur confirmed that the relationship set up during migration resulted in co-ownership of a new venture.

Furthermore, none of those interviewed confirmed membership of any professional or business organisations/institutions in a host country. Additionally, most of the relational capital gains resulted from self-initiated and informal activities.

Financial capital gains

Almost all respondents (96.3 per cent) claimed that they had saved money while abroad (see Table VII). More than two-thirds declared they saved the amount that they had initially planned (48.1 per cent) or more than they had expected (20.4 per cent). These results confirm

<table>
<thead>
<tr>
<th>Table V.</th>
<th>The usage of new knowledge and skills in running businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you use your acquired knowledge in running your business?</td>
<td></td>
</tr>
<tr>
<td>It is the primary factor</td>
<td>7</td>
</tr>
<tr>
<td>It is very important</td>
<td>21</td>
</tr>
<tr>
<td>It is quite important, I use most of it</td>
<td>10</td>
</tr>
<tr>
<td>I occasionally use some components of it</td>
<td>0</td>
</tr>
<tr>
<td>I tend not to use it</td>
<td>1</td>
</tr>
<tr>
<td>I definitely do not use it</td>
<td>0</td>
</tr>
<tr>
<td>Source: Authors’ research</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table VI.</th>
<th>The characteristics of relationships set up during migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you set up new relationships while abroad which are used in the running your business?</td>
<td></td>
</tr>
<tr>
<td>No, I have not set up relationships abroad that I use in running my business</td>
<td>39</td>
</tr>
<tr>
<td>Yes, but with Poles living in Poland while I was abroad</td>
<td>7</td>
</tr>
<tr>
<td>Yes, with other Poles living in a host country</td>
<td>8</td>
</tr>
<tr>
<td>Yes, with people of other nationalities</td>
<td>5</td>
</tr>
</tbody>
</table>

Which statement characterises the form of this cooperation?

| Source: Authors’ research |
| They are suppliers | 4 | 7.4 |
| They are customers | 5 | 9.3 |
| They are co-owners | 1 | 1.9 |
| They are business partners (e.g. they offer my products or services, we jointly acquire customers, we are cooperating in completing orders) | 10 | 18.5 |
that working in a host country provides an opportunity to earn a much higher salary than in the home country and supports the economic migration argument.

In most cases (59.3 per cent), the amount of money saved was sufficient to set up a new business. More than one in four respondents spent all their savings and additionally had to apply for funds from other sources. Only in 9.3 per cent of cases were savings not spent on the entrepreneurial activity.

The role of migration in starting own business – the overall perception
In the sample, 98 per cent of respondents confirmed they had planned to return to the home country; this supports the new economics of labour migration assumption which sees return as a logical step after migrants gather sufficient knowledge and finance to invest in their home country (de Haas et al., 2015). When asked to point out the importance of various factors that supported the decision to return, 61 per cent of entrepreneurs claimed that saving initially planned amount of money was a primary or very important factor; while 39 per cent chose gaining initially planned knowledge, skills and professional experience. However, the emerging possibility to set up own business in a home country was most important (63 per cent found it to be primarily or very important). Furthermore, many of the respondents mentioned a combined motivation of both elements. For example, one respondent commented:

Over two years I saved a sufficient amount of money and I knew I could afford to open my own business in the country (Poland), also I didn’t want to work so hard anymore.

Most of the entrepreneurs (83 per cent) also added personal reasons that affected their return:

I had earned as much as I planned, but also I missed my family and country and I have reached a certain age.

Another mentioned:

I missed my loved ones, I also felt discriminated against.

In 27.8 per cent of cases (see Table VIII), the idea to start a new business had arisen before leaving the home country. In such cases, it can be assumed that migration was intended to provide the means for starting a new venture. These entrepreneurs had identified specific goals and they returned home after achieving them. However, 46.3 per cent of respondents came up with the idea of running their own enterprise while abroad, even though 18.5 per cent had to modify it after returning.
Two out of every three respondents stated they were the sole originator of the new business idea (see Table IX). Concerning the migration effect, 37 per cent of cases were supported by friends who lived abroad and in 7.4 per cent, by institutions or organisations supporting new ventures in the host country. Thus, it can be concluded that in at least 44.4 per cent of cases, migration had a high impact on idea development.

Respondents were also asked in an open question to enumerate the benefits of migration. The coding applied identified “improving financial condition” (37 per cent), and “saving money for own business” (31.5 per cent) as most commonly mentioned. A quarter claimed they had an “interesting life experience which allowed self-development” (referring mostly to self-awareness, self-confidence, stress tolerance). Some profits connected with human capital development were also highlighted. These included “work experience” (25.9 per cent), acquisition of “knowledge” (16.7 per cent), “skills” (11.1 per cent) and improving “foreign language fluency” (14.8 per cent).

The positive attitude towards migration was apparent in statements such as:

Those who returned, despite the fact that they are frustrated, somehow have more hope and do not complain so much because if they feel very bad, they can leave the country without any fear. The “work shy” always complain and do not leave, which is annoying. It is always easier to blame the government and officials, but abroad we learn to take matters into our own hands. I personally recommend that.

Discussion

The data gathered confirm that working abroad creates many possibilities to gain capital that may have a positive impact on increasing entrepreneurial potential. This is in line with previous research (de Haas, 2006; OECD, 2008; Martin and Radu, 2012; Naude et al., 2015) and supports findings that capital accumulated abroad positively impacts the likelihood of becoming self-employed. However, according to the results, not all capitals were enhanced at the same level neither were they used to the same extent while starting own business.

<table>
<thead>
<tr>
<th>When did the idea of starting a business come to you?</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before migration</td>
<td>15</td>
<td>27.8</td>
</tr>
<tr>
<td>While abroad</td>
<td>15</td>
<td>27.8</td>
</tr>
<tr>
<td>While abroad, but I had to modify it on returning</td>
<td>10</td>
<td>18.5</td>
</tr>
<tr>
<td>After returning</td>
<td>14</td>
<td>25.9</td>
</tr>
</tbody>
</table>

Table VIII.
The point at which decision on starting a business was made

<table>
<thead>
<tr>
<th>Who was involved in the process of creating a new business idea?</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was solely my idea</td>
<td>36</td>
<td>66.7</td>
</tr>
<tr>
<td>My friends abroad supported me in designing the new business</td>
<td>20</td>
<td>37.0</td>
</tr>
<tr>
<td>My friends from my home country supported me in designing new business</td>
<td>17</td>
<td>31.5</td>
</tr>
<tr>
<td>I received general support from a host-country organisation/institution in setting up a business which I applied on return to my home country</td>
<td>4</td>
<td>7.4</td>
</tr>
<tr>
<td>I was assisted by organisations/institutions supporting new ventures in my home country on returning</td>
<td>3</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Table IX.
People involved in creating business idea

Note: “Respondents could choose more than one answer

Source: Authors' research
The most important capital acquired abroad was financial, which adds to the economic migration argument (Zaiceva and Zimermann, 2012). Almost all respondents (96.3 per cent) claimed they had saved money while working in a host country. Moreover, 87.1 per cent declared they have spent their savings on a new venture and it was a primary factor in their start-up choice. This supports the first proposition that “working abroad provides returnee migrants with savings required for starting their business in a home country”.

A positive impact of migration can be also identified when considering human capital. Of those interviewed, 82.2 per cent declared the acquisition of new knowledge and 87.8 per cent confirmed the development of new skills. Moreover, nearly half of respondents (51.9 per cent in the case of knowledge, and 48.2 per cent in the case of skills) claim that acquired HC components are the primary factor or are very important in running their ventures. Only a small minority of returnee entrepreneurs claimed not to use new or developed knowledge/skills in their business activity in a home country. Thus, it can be concluded that the findings support the second proposition that “working abroad increases returnee migrants” human capital which is used in starting a business in a home country”. This argument is also supported by 46.3 per cent of respondents coming up with an idea to run own business while staying abroad. These findings also refer to the “brain circulation” argument (Zaiceva and Zimermann, 2012; Marques, 2010) suggesting an important role of migrants in building an entrepreneurial society in the transnational context. Undoubtedly, returnee migrants made use of their human capital developed in the home country while working abroad. However, the components of human capital such as knowledge and skills were expanded in a host country and (according to the data gathered) are now applied in running a business. Such findings refer directly to the “triple win situation” as migrants, host and home country benefited from migration.

However, based on the findings, the relational capital acquired during migration was much less used in the business context. Only 27.8 per cent of respondents confirmed building a business network abroad. Moreover, most of them set up new relationships with other Poles, either in Poland or in a host country. Relationships with people of other nationalities were set up by only 9.3 per cent. Surprisingly, such a situation does not stem from potential difficulties with cross-cultural awareness as only 15 per cent of respondents found cultural differences as a primary or very important factor supporting a decision to return. Furthermore, none of the interviewees confirmed membership of any professional, or business organisation/institution in a host country. The reasons behind not building relational capital may refer to Ryan’s (2011) findings, which state that the possibility of building networks depends on economic and social status as well as language fluency, occupational status and unfulfilled personal ambitions. On the basis of the sample’s characteristics, the return migrants had a rather unsatisfactory occupational situation which triggered their economic migration. Nearly 40 per cent were unemployed, 7 per cent were studying and working part-time and 18.7 per cent were employed in a micro firm. Moreover, most of them claimed that one of the most important benefits of working abroad was learning a foreign language. This can lead to the assumption that at the time of migrating, their fluency in the foreign language was rather unsatisfactory. All these arguments support Ryan’s (2011) findings that even if Poles established relationships, they were rather low and did not provide them with an opportunity to share different types of resources (especially after returning). Thus, it can be posited that the results do not support the third proposition that “Working abroad enables returnee migrants to create relationships required for starting a business in a home country”. This, however, might suggest a shortfall in one capital can be compensated for with strengths in other capitals.

On the basis of the migrants’ educational level, it can be also concluded that our findings are in line with those reported by Jayawarna et al. (2014) and Coniglio and Brzozowski (2016). Most of the investigated return migrant entrepreneurs (56 per cent) had a general
secondary education and 22 per cent of respondents had a secondary vocational level of
education, which means they were prepared for fulfilling specific but simple tasks. Thus, it
can be concluded that they had fewer possibilities to find secure and well-paid jobs and used
their capitals to start a business instead.

**Implications**

Despite the fact that the results confirming human and financial capital gains are in accordance
with the model, the relational capital enhancement was less visible. Polish entrepreneurs
seemed not to develop business relationships while abroad; however, some relationships
played an important role in the business idea development stage. Thus, taking into account
respondents’ educational and business profiles, this may imply that the types of businesses
they opened may have required a low level of relational capital. The sample consisted of mostly
low-skilled former migrants who started low knowledge-intensive businesses. This also implies
the importance of financial capital (which makes it possible to start a new business, e.g. by
providing funds for initial equipment and premises) in this context.

It can also be assumed that for the majority of returnee entrepreneurs, the decision to
migrate was dictated by a difficult employment situation (push); it impacted their main
motivation for gaining the capital abroad (mostly financial but also human) and to return
after achieving expected outcomes (de Haas et al., 2015). In this sense, achieving an expected
amount of wealth combined with family and other networks at home supports the NELM
argument and compensation of capitals. The findings also confirm that in this case, the
likelihood of starting a business could be negatively correlated with the acquisition of
further qualifications and the duration of migration (Lianos and Pseiridis, 2009). This can
also be explained by the informal and individual ways in which human and relational
capital was acquired, developed and transferred into entrepreneurial potential which
impacts the resource mobilisation patterns (cf. Cassarino, 2004). Thus, our sample (which
largely consisted of low-skilled migrants) was focussed on accumulating mostly financial
and human capital while abroad (de Haas, 2006; OECD, 2008; Naude et al., 2015), and
planning to return.

Since the research focus was on temporal economic migration, it could be argued that
low-skilled migration, focussed on doing low-skilled work, is more repeatable. This may also
suggest that in this case, capital development requires a longer process and multiple
movements to reach the expected outcomes. Considering the context of migration in this
study, there might also be other reasons for going abroad (especially fast access to money
and family responsibilities mentioned by Zikic (2015) that are in line with NELM theory).
From our findings, the temporality of migration induced by social ties can also explain the
lack of relational capital development which may require a longer period to develop abroad
in comparison to other forms of capital. It appears that financial capital might be the fastest
form of capital to gain during temporary migration; this is supported by our findings.

Only 27.8 per cent of returnee entrepreneurs migrated in order to expand on business
resources while the remaining majority did develop their entrepreneurial potential while
staying abroad. This adds an important dimension to the model as different stages of the
development of entrepreneurial potential may impact expected capital gains. Apart from
finance, which is the major reason for economic migration, entrepreneurial potential during
temporary migration is mostly build through knowledge transfer. This could be related to
human capital development, especially in the context of economic migration. Finally, with
regard to different forms of capital as a resource-enabling business start-up, it seems that
industry-specific human capital did, in fact, converge into the organisational capital of
returnees’ businesses.

Based on the above points, the implications for policy and practice are as follows. Concerning
the profile of returnee entrepreneurs and temporality of economic migration,
more targeted support could be provided to establish entrepreneurship in the home country in order to transform entrepreneurial potential into more beneficial entrepreneurial behaviour. Furthermore, training could be provided to effectively use the capitals to expand on the businesses profile and capital gains. If, however, the host country would like to increase the level of entrepreneurship in the transnational context (which will enhance trade and investment) they should provide better access and support for building networks while abroad, acknowledging the temporality of economic migration and the context of repeat and circular migration. This could also promote a triple win situation in the longer perspective.

Conclusion and recommendations for further research

This study aimed to identify how entrepreneurial potential (in form of resources) is built abroad during migration and how this affects the entrepreneurial behaviour of individuals after their return to their home country. This was investigated on a sample of 54 return migrant entrepreneurs who set up their business in Poland. On the basis of the exploratory study, it can be confirmed that economic migration creates opportunities to gain financial capital and to further develop human capital. Moreover, these two types of resources are treated by returning migrant entrepreneurs as primary or very important factors impacting the decision to set up a new venture. Furthermore, on the basis of the data gathered, it can be concluded that returning migrant entrepreneurs merely build business relationships while abroad and they do not create business networks with any institution aimed at supporting entrepreneurs in the host country. This might be linked to the temporality of economic migration and the time required to develop different forms of capital (resource allocation).

By investigating the reverse migration context, this research offers an expansion on the understanding of the inter-relationship between migration and entrepreneurial behaviour. Moreover, this study expands the understanding of the interdependence between migration and entrepreneurial behaviour by observing the reverse migration process. It was possible to capture how migration experiences impact upon business start-up and how migrant experiences facilitate alternative ways of enterprise development in the home country through developing entrepreneurial potential abroad.

However, our study is not short of limitations, one of the most significant being the limited sample and an exploratory focus. Since no other study has performed similar research, this was the first attempt to investigate the impact of economic migration on capital gains and entrepreneurial potential development. Limitations referring to the method chosen and possible self-selection bias suggest potential avenues for further studies. For example, acknowledging the variety of return migrant experience with regard to both employability and reasons behind migration can be further linked to different forms of capital gains and the time required for their development. These variables may play a moderating role in both capital gain processes and setting up a new business. To investigate this further, we suggest expanding on the concept of the development of entrepreneurial potential in relation to capital gains and the time required to acquire them.

Four main recommendations for further research can be highlighted. First, the sampling process should make it possible to include entrepreneurs that represent high- and low-skilled migrants to assess the effect of economic migration from different theoretical perspectives and with regard to various types of businesses. Second, a control sample consisting of returnee migrants who are not entrepreneurs and entrepreneurs who are not migrants should be added to assess the research validity. Third, this research should be conducted on a larger sample of returned migrant entrepreneurs, recognising a variety of host countries’ experiences and including migrants of other nationalities rather than restricting the sample to Poles. Finally, the whole investigation would benefit from considering entrepreneurs’ individual characteristics.
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Contextualising ethnic minority entrepreneurship beyond the west
Insights from Belize and Cambodia

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Department of Organization Sciences,
Vrije Universiteit Amsterdam, Amsterdam, The Netherlands

Abstract
Purpose – Literature on immigrant and ethnic minority entrepreneurship almost exclusively focusses on the west, while neglecting other world regions. This neglect is problematic not only because international migration is on the rise outside the west, but also because it reveals an implicit ethnocentrism and creates particular presumptions about the nature of ethnic minority entrepreneurship that may not be as universally valid as is often presumed. The purpose of this paper is to examine ethnic minority entrepreneurship in non-western contexts to critically assess two of these presumptions, namely that it occurs in the economic margins and within clear ethnic community boundaries.

Design/methodology/approach – The authors draw on academic literature (including the authors’ own) to develop two case descriptions of ethnic minority entrepreneurship outside the west: the Mennonites in Belize and the Chinese in Cambodia. For each case, the authors describe the historic entrepreneurial trajectory, i.e. the historical emergence of entrepreneurship in light of relevant community and society contexts.

Findings – The two cases reveal that, in contrast to characterisations of ethnic minority entrepreneurship in the west, the Mennonites in Belize and the Chinese in Cambodia have come to comprise the economic upper class, and their business activities are not confined to ethnic community boundaries.

Originality/value – The paper is the first to elaborate the importance of studying ethnic minority entrepreneurship outside the west, both as an aim in itself and as a catalyst to work towards a more neutral framework.

Keywords Cambodia, Context, Chinese, Ethnic minority entrepreneurship, Belize, Mennonites

Paper type General review

Introduction
The manner in which contextual factors enable and constrain entrepreneurship is increasingly appreciated (Gadde fors and Anderson, 2017). The earnest consideration of context – which broadly refers to “the set of circumstances in which phenomena (e.g. events, processes or entities) are situated” (Griffin, 2007, p. 860) – entails situating the phenomenon of entrepreneurship within society and its spheres of interaction, and to do so with a general historical awareness (Watson, 2013). Scholars adhering to a social sciences view frequently deploy the notion of context to transcend the methodological individualism that stems from the dominance of economic and psychological approaches to studying entrepreneurship (Drakopoulou Dodd and Anderson, 2007). Arguably, accounts of immigrant and ethnic minority entrepreneurship pioneered the context-sensitive study of entrepreneurship. After all, these accounts revealed variations in rates of self-employment and economic specialisation among different migrant groups in society, and these variations can neither be explained by personality traits nor by the availability of economic opportunities alone (Light, 2004; Pécoud, 2000).

Thinking about the context of immigrant and ethnic minority entrepreneurship has become increasingly sophisticated. Early studies, most of which on ethnic minorities in the USA,
thought of context in terms of ethnic community culture, networks and resources (e.g. Aldrich and Waldinger, 1990; Sanders and Nee, 1987). It was argued that migrants and their descendants rely on “bounded solidarity” and “enforceable trust” within their family and community to secure capital, labour, supply and consumer markets (Portes and Sensenbrenner, 1993, pp. 1324-1325), spurring notions of ethnic economies and enclaves (Zhou, 2004). Since the turn of the millennium, predominantly European approaches have criticised the tendency to overemphasise the ethnic community context to the neglect of the host society context (Rath, 2000). Proponents of the “mixed embeddedness” perspective have convincingly argued that ethnic minority business activities not only develop from ethnic community resources, but also depend on the host society’s regulatory framework and market structure (Kloosterman et al., 1999; Ram et al., 2008, 2017).

In one respect, however, the contextualisation of minority entrepreneurship continues to fall short: studies are almost exclusively conducted in Northern America, Western Europe and Australia (Aliaga-Isla and Rialp, 2013; Dheer, 2018). We argue that the paucity of research in countries outside the west represents a lacuna for at least three reasons. First, international migration is on the rise outside the west, hence also prompting immigrant and ethnic minority entrepreneurship (Aliaga-Isla and Rialp, 2013; Bosiakoh, 2017). Second, the neglect of non-western contexts reveals an implicit ethnocentrism, setting apart the west from the “rest” (Nederveen Pieterse, 2003; Verduijn andESSERS, 2013). Third, if context matters for entrepreneurship, then it follows that the particularities of the western context create particular presumptions about the nature of ethnic minority entrepreneurship that may not be as universally valid as is often presumed. The objective of this paper, therefore, is to examine ethnic minority entrepreneurship in non-western contexts to critically assess these presumptions.

In the next section, we outline the western bias in ethnic minority entrepreneurship studies in more detail. Subsequently, in an effort to work towards more contextual heterogeneity, we introduce two contrasting cases: one on ethnic Mennonite entrepreneurship in Belize and the other on ethnic Chinese entrepreneurship in Cambodia. We draw on existing academic literature, including our own, to develop descriptive accounts of these two minorities, highlighting how their business activities emerged over time and within their communal and societal contexts. In the discussion section, we draw on these accounts to critically assess two persistent presumptions about the nature of ethnic minority entrepreneurship. First, whereas minority entrepreneurship is generally associated with economic marginality, our cases show that ethnic minorities may also come to comprise the economic upper class. Second, whereas minority entrepreneurship is generally considered to take place within clear ethnic community boundaries, our cases instead reveal ambiguous ethnic boundaries by way of internal community differentiation and the intersection of ethnic and mainstream economies. Ultimately, we show that more contextual heterogeneity – going beyond the persistent empirical focus on the west – has the potential to foster new insights on the manifestations of ethnic minority entrepreneurship and work towards a “more neutral conceptual framework” (Engelen, 2001, p. 203).

**Literature review: the western bias in ethnic minority entrepreneurship studies**

It has been repeatedly pointed out that research on immigrant and ethnic minority entrepreneurship is rather uniform in its empirical focus. Most studies focus on established ethnic minorities in the west, including for example Chinese, Cubans and Koreans in the USA or Turks and Indians in Europe. Studies on more recently arrived migrants, who tend to be more differentiated in terms of country of origin, immigration status, labour market experiences and age and gender profiles (Vertovec, 2007), are still scarce (for exceptions, see Jones et al., 2014; Kloosterman et al., 2016; Ram et al., 2008; Sepulveda et al., 2011). Moreover, while research into the differences among communities on the national level is prominent (Danes et al., 2008), few studies adopt an international comparative perspective (Ram et al., 2017; Rath, 2000). Most striking, however, is that almost all studies are conducted in urban
settings in North America (the USA and Canada), Oceania (Australia and New Zealand) and Europe (especially the UK, Germany, the Netherlands and the Scandinavian countries), while research on ethnic minority entrepreneurship outside the west is lacking (Aliaga-Isla and Rialp, 2013; Bosiakoh, 2017; Dheer, 2018; Verduijn and Essers, 2013). For at least three reasons, this empirical bias cannot be glossed over easily.

First, international migration outside the west – sometimes labelled “South-South migration” (Bosiakoh, 2017, p. 144) – is on the rise, and hence also is migrant entrepreneurship outside the west. While countries in the west still host more international migrants as percentage of the population, more international migrants now live in Asia (80m) than in Europe (78m), and “less developed regions” host some 112m out of the total of 258m international migrants worldwide (United Nations, 2017). Especially on a regional level, greater disparities between countries lead people to migrate to countries with better opportunities, such as Thailand, South Africa and Turkey. Also, while many countries outside the west have adopted more liberal economic regimes attracting migrants and fostering entrepreneurship (Wadhwa et al., 2011), western migration regimes have shifted to more protectionist policies that curb the inflow of migrants since the turn of the millennium, when economic recession swept across the west (Ybarra et al., 2016). In all, as Aliaga-Isla and Rialp (2013, p. 835) argue, “the panorama of immigration is changing”, which “is bringing new opportunities for researching new contexts” of immigrant and ethnic minority entrepreneurship (cf. Nazareno et al., 2018).

Second, the neglect of ethnic minority entrepreneurship outside the west reveals a questionable scholarly division of labour between the study of the west and the study of the “rest”. Surely, studies on immigrant and ethnic minority business outside the west exist. These for example consider Indians in China (Cheuk, 2016) or in Trinidad (Nevadomsky, 1983), Nigerians in Ghana (Bosiakoh, 2017) and Africans in Japan (Schans, 2012). However, these studies tend to be published in anthropology and especially in area studies journals and book series, and hence go largely unnoticed by scholarship on minority entrepreneurs in the west, which is based in ethnicity, migration, sociology and entrepreneurship journals. Indeed, there are very few studies on immigrant and ethnic minority entrepreneurship outside the west published in entrepreneurship journals, although there are exceptions (e.g. Koning and Verver, 2013; Khosa and Kalitanyi, 2015), and publications exist on the related phenomenon of diaspora and returnee entrepreneurship outside the west (e.g. Elo, 2016; Nkongolo-Bakenda and Chrysostome, 2013). Yet, in a recent review, Dheer (2018) did not find any study that focusses on immigrant entrepreneurship in emerging economies. This scholarly division of labour inheres an implicit ethnocentrism that cannot be the basis of scholarly inquiry (Nederveen Pieterse, 2003; Verduijn and Essers, 2013) and, moreover, may foster understandings of immigrant and ethnic minority entrepreneurship that are skewed to the west. This latter point has been made with respect to other scholarly fields as well. Family business studies, for example, is predicated on the idea of the nuclear family-run business, while in many contexts, especially outside the west, relatives outside the nuclear family play an important role in business (e.g. Verver and Koning, 2018).

Writing on international relations, Acharya (2014) argues that the discipline “does not reflect the voices, experiences, knowledge claims, and contributions of the vast majority of the societies and states in the world” (p. 647). His claim that a more global orientation is needed that “transcends the divide between the West and the Rest” (Acharya, 2014, p. 647) certainly applies to ethnic minority entrepreneurship studies as well.

Third, and stemming from this scholarly division, there are vast contextual differences between western and non-western settings that may greatly affect the nature or degree of ethnic minority entrepreneurship, but that are currently overlooked. Of course, important differences exist within the west, especially between the welfare states of continental Europe and the more neoliberal model in the English-speaking countries (Light, 2004; Rath, 2000). Yet, some contextual factors are more or less shared among western countries, but not globally.
These include the presence of advanced, industrialised economies within which ethnic minorities have to carve out entrepreneurial niches, as well as generally well-educated native populations with whom they have to compete (Dheer, 2018; Rath, 2000). Other important contextual factors that affect ethnic minority entrepreneurs include relatively strong state, legal and financial institutions, but also the purported “backlash against multiculturalism” and often rigid “us vs them” discourses that prevail in much western political and societal debates since the turn of the millennium. If context matters for entrepreneurship, then it follows that these and other contextual factors have brought about particular presumptions about the nature of minority entrepreneurship that may not be as universally valid as is often presumed. In this paper we critically address two of such presumptions.

The types of business activities undertaken by ethnic minority entrepreneurs, first, are associated with a relatively marginal position in the economy. Studies show that ethnic minority entrepreneurs tend to concentrate in underserviced or impoverished urban areas, and mainly engage in business activities neglected by ethnic majority firms, such as all-night convenient stores or clothing sweatshops, or tap into ethnic markets (Dheer, 2018; Nazareno et al., 2018). Most ethnic minorities cannot compete with natives in high-growth, investment and technology intensive sectors, and therefore resort to more peripheral retail and service niches characterised by low entry barriers, low profits, low economies of scale and high labour intensity (e.g. Aldrich and Waldinger, 1990; Barrett et al., 2002). These niches allow them to capitalise on their competitive advantages, including their willingness to settle for small profit margins, do tedious jobs, work long hours and use low-paid and informal family or co-ethnic labour (e.g. Kloosterman et al., 1999). At the same time, concentration in these niches reflects the vulnerability of ethnic minority businesses, as does the observation that the strict enforcement of government regulations, for example pertaining to licences, environmental policy or undocumented workers, tends to present challenges for their survival (e.g. Rosales, 2013). Indeed, many prominent notions within the literature can be considered variations on this theme of marginality. For example, ethnic minority entrepreneurs are often considered “necessity entrepreneurs” who are “pushed” into self-employment because they cannot compete with ethnic majority populations on the job market due to discrimination, language barriers or a lack of educational or occupational credentials (Abada et al., 2014; Aldrich and Waldinger, 1990). Rarely are they portrayed as “opportunity entrepreneurs” who, instead, are “pulled” by the desire to exploit an innovative business idea. These and other notions reinforce the idea that, by and large, ethnic minority entrepreneurship is an economically marginal phenomenon found at the “lower end of the market” (Kloosterman et al., 1999, p. 255).

A second and related presumption is that ethnic minority entrepreneurship takes place within clear ethnic community boundaries. Typically, literature highlights how migrants and their descendants draw on their ethnic community resources, culture and networks to establish businesses and thereby, in the aggregate, erect ethnic economies, defined as “any ethnic or immigrant’s self-employed group, its employers, their co-ethnic employees, and their unpaid family workers” (Light and Gold, 2000, p. 3). In the face of exclusion and disadvantage in the host society, or stemming from a desire to preserve their own ways, these ethnic economies offer a sense of security for minority members (Light, 2004). Within ethnic economies, solidarity exists between co-ethnics and family members, and reciprocal and trust-based relationships are formed among them to secure credit, labour or supply (Portes and Sensenbrenner, 1993). Other prominent concepts, including ethnic enclaves and ethnic niches, bear close resemblance to the ethnic economy concept: ethnic enclaves refer to the clustering of co-ethnic business owners, employees and customers in particular urban areas, while ethnic niches instead indicate the predisposition towards certain types of economic activity or sectors. Mirroring ethnic economy, enclave and niche frameworks, which have decided the contours of ethnic entrepreneurship literature (Zhou, 2004), ethnic communities are typically taken as the units of analysis in research. Most scholars inquire
into community characteristics – e.g. rates of self-employment, network endowments, concentration in niches, economic performance – or country-level differences between ethnic communities along these parameters (Aliaga-Isla and Rialp, 2013; Danes et al., 2008; Pécoud, 2000; Rath, 2000). As a result, ethnic communities tend to be portrayed as internally homogenous and externally bounded, and considered relatively unproblematic units of analysis for explaining ethnic minority entrepreneurship.

In line with the changing nature of immigrant and ethnic minority entrepreneurship in the west, recent literature increasingly questions economic marginality and ethnic community as its defining characteristics. We will touch upon this critical literature in the discussion section. In the ensuing sections, we describe ethnic minority entrepreneurship in two non-western contexts – Belize and Cambodia – thereby showing that when migrants and their descendants face different historical, communal and societal predicaments, entrepreneurship also takes on different forms. In the discussion section, we tease out the insights of our two cases vis-à-vis the two presumptions described above.

Approach: two cases of ethnic minority entrepreneurship outside the west

Below, we present two case descriptions of ethnic minority entrepreneurship outside the west based on academic literature, including our own work on the Mennonites in Belize (by the third author) and the Chinese in Cambodia (by the first author). Although the first and third authors have conducted fieldwork among the two ethnic minorities, we do not present primary data, but instead draw on existing literature to provide a more composite picture of the historical and contemporary dynamics of entrepreneurship. For each of these two minorities, in the case descriptions we trace what might best be labelled their “historic entrepreneurial trajectory”, teasing out temporal and sociocultural dimensions relevant to entrepreneurship. On the one hand, we describe how their entrepreneurial trajectories unfold in parallel with trajectories of migration and settlement over time. The case descriptions thus work towards historical contextualisation, meaning “interpretation of past event(s) in relationship to their time and place, in ways that address a question or problem that arises in the present” (Wadhwani, 2016, p. 66). On the other hand, we examine the ways in which these entrepreneurial trajectories are embedded in ethnic community and wider society contexts, in accordance with the basic premise of the mixed embeddedness perspective (Kloosterman et al., 1999). Taken together, the following question guides the development of the two case descriptions: How, over time, have the Mennonites in Belize and the Chinese in Cambodia manoeuvred their societal and communal contexts while engaging in entrepreneurship?

A brief explanation of the terminology used is necessary at this point (cf. Brzozowski et al., 2014). Whereas “immigrant entrepreneurship” concerns first-generation migrants who were born in another country (Aliaga-Isla and Rialp, 2013), “ethnic minority entrepreneurship” refers to collectives of migrants and their descendants who “share a common origin and culture” and nurture “a set of connections and regular patterns of interaction” (Aldrich and Waldinger, 1990, p. 112). The two cases that we develop below comprise established Mennonite and Chinese minorities in Belize and Cambodia, respectively, which include very few first-generation migrants, and hence we use the term ethnic minority entrepreneurship to describe them. In discussing the literature, however, it is hard to set apart both terms (cf. Brzozowski et al., 2014). Immigrant entrepreneurship is sometimes considered a subset of ethnic minority entrepreneurship (e.g. Volery, 2007), while, vice versa, “the (implicit) approach” of many other studies is to consider both migrants and their descendants as immigrant entrepreneurs (Ram et al., 2017, p. 5). While our focus is on ethnic minority entrepreneurship, we therefore relate our cases to literature on immigrant and ethnic minority entrepreneurship more broadly (as is also clear in the literature review above).

The merit of presenting case descriptions to critically examine existing presumptions about ethnic minority entrepreneurship is twofold. First, by developing two case descriptions, we

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provide rich and varied insights into minority entrepreneurship outside the west, and hence speak to the general lack of knowledge on this phenomenon. As Cunningham (1997) argues, “a variety of cases can provide a better demonstration of a theory or a set of concepts” (p. 405), and thus the two cases allow us to reflect on the manifestations of minority entrepreneurship in a more comprehensive manner than a single case would. The fact that we elaborate contrasting cases – for example in terms of ethnic and religious background, geographical area and economic activities – only means an even more comprehensive depiction of what ethnic minority entrepreneurship outside the west can entail. Second, case descriptions typically explore “a significant phenomenon under rare, unique or extreme circumstances” (De Massis and Kotlar, 2014, p. 18), and the contextual detail provided renders case descriptions especially suitable as stepping-stones for reflecting on and possibly extending existing concepts. In that sense, the Belizean and Cambodian cases are the result of purposeful, “theoretical sampling” stemming from our aspiration to extend or assess an existing concept, namely ethnic minority entrepreneurship (Flyvbjerg, 2006).

In providing the two case descriptions below, we highlight those dynamics that set apart our cases from ethnic minority entrepreneurship literature on the west. First, for both cases we show that, while minority entrepreneurship is associated with economic marginality, ethnic minorities may also come to comprise the economic upper class. Second, while ethnic minority entrepreneurship is generally considered to take place within clear ethnic community boundaries, our cases instead reveal ambiguous ethnic boundaries. More specifically, in the case of the Mennonites in Belize ambiguous ethnic boundaries take the form of extensive differentiation within the community, while for the Chinese in Cambodia this is witnessed in the highly entwined nature of ethnic and mainstream economies. The ensuing case descriptions depict how this came about.

Case 1: ethnic Mennonite entrepreneurship in Belize
The historic entrepreneurial trajectory of Belizean Mennonites has its roots in the reformation of sixteenth-century Western Europe. The name Mennonite derives from Menno Simons, a religious leader who wrote *Foundation of Christian Doctrine* (1539). Menno Simons developed an alternative interpretation of the Scripture stipulating that Christians are not to be baptised by birth, but should choose to be baptised when they become adults. This Anabaptist practice was outlawed because it was at odds with religious and state authorities’ control. As a result Mennonites suffered persecution and discrimination throughout Europe. The attempts of European states to assimilate Mennonites led to several waves of migration; first to Prussia and Russia, and from the eighteenth century to North America (Loewen, 1993). Wherever they went, Mennonites mainly ventured into agriculture, gradually expanding into agribusiness and sometimes relying on income from carpentry or construction. When the secular state of Canada obliged Mennonites to send their children to school, some Mennonites again migrated further south to Mexico, with others continuing to the country of Belize in 1958 (Kraybill, 2010).

Belize is a multi-ethnic former British colony comprised of, amongst others, Maya, Chinese, Creole, Mestizo, Garifuna and East Indian ethnic groups. Some 12,000 Mennonites live in Belize, out of a total population of 320,000. While the lingua franca is English, most Belizeans also communicate in Spanish or Creole; in addition, most Mennonites speak Low German (Statistical Institute of Belize, 2013). Belizean authorities welcomed the Mennonites in 1958 especially because the Belizean economy was highly dependent on imports, while the Mennonites brought with them skills that could develop an internal market (Roessingh and Boersma, 2011; Roessingh and Schoonderwoerd, 2005). From the outset, Mennonites occupied the economic niches they had occupied before, engaging in cultivating cash crops, such as rice, papayas, corn, sorghum and potatoes, producing daily necessities such as dairy and meat and running feed mills. The Mennonites also make furniture, light machinery, and tools and play an important role in the construction sector (Penner et al., 2008).
Mennonite presence since their entry in Belize in 1958 is characterised by locally isolated settlements as well as prominent contributors to the Belizean economy. On the one hand, they have taken up vital roles in the Belizean economy. Mennonite entrepreneurs deliver key products for the internal market, expand local job markets, unlock transnational networks that enable Belize to develop an export market and perform contracts with the government, for example to construct parts of the road network of Belize. On the other hand, as always, Mennonites retained their independence from state institutions by living in isolated “colonies” (settlements), arranging their own communal organisation and foregoing registration in state-run systems such as healthcare and education (Roessingh and Plasil, 2009). The relationship between the Mennonites and Belizean state authorities thus amounts to a tacit agreement where the Mennonites retain their autonomy in exchange for their contribution to Belizean society. In fact, such an agreement was indeed made between the authorities of Belize – then called British Honduras – and the first settlers to arrive in the country. It stated rights and privileges for Mennonites to run their own churches and schools, “the right to administer and invest the estate of their own people […] according to their own rules and regulations”, and to be exempt from the social security system (Roessingh and Boersma, 2011, p. 176). In return, settlers were to “bring into British Honduras capital investment in cash and kind amounting to five hundred thousand dollar more or less British Honduras currency [and] produce food not only for themselves but also for the local consumption and for export market” (Roessingh and Boersma, 2011, p. 177). Owing to this agreement Mennonites were able to enter the country, benefiting from the rights and privileges established in 1958.

The diverse contributions of Mennonite entrepreneurs to the Belizean economy that developed since 1958 reflect the significant internal differentiation within the Mennonite ethnicity. This internal differentiation is a result of debates existing within and between different Mennonites communities about the interpretation of the religious scripture and its translation into the values upheld by the communities. The debates often revolve around the notion of “worldliness”. Worldliness connotes impurity and being morally compromised by the use of advanced technologies, fashionable dress, habits such as smoking and drinking alcohol and other profane or “worldly” activities. Within Mennonite communities, which are organised around a church, worldliness is kept at bay by a religious-moral order that is represented by the Älteste (eldest) and Prediger (preachers) (Kraybill, 2010; Loewen, 1993). These religious authorities promote and enforce adherence to the Ordnung, which translates as regulation or discipline, and contains the particular interpretation of scripture as applied to everyday life of the community members (Kraybill, 2010). Some of these rules affect business life considerably, such as when there are limits or prohibitions on the use of computers or even electricity, the amount of working days during the week, the driving of cars or trucks, the use of rubber wheels on tractors, venturing outside the settlement or using advanced agriculture machinery such as combines and crop dusting aircrafts (Roessingh and Plasil, 2009; Ryman, 2003). Because of such restrictions, Mennonite entrepreneurs may experience severe obstacles in the growth of their business, and their ability to produce and distribute their produce (Ryman, 2003).

Because of the internal debates about religious-moral codes, the Mennonites in Belize are far from a homogeneous group. They are scattered across different settlements throughout the country and adhere to different churches representing different communities that each have their particular codes of conduct. Some communities strictly adhere to a formalised Ordnung and lead very isolated lives, while the Ordnung as such has become a more informal affair in other communities where members are able to use modern technologies (Roessingh and Plasil, 2009). Indeed, the various interpretations of the scripture that developed across several communities over several decades make that Mennonite identity itself is sometimes contested. A conservative Mennonite might dispute the liberal ways of life of more progressively oriented Mennonites and hence contest the label Mennonite for more progressive Mennonites (Roessingh, 2013).
From the few, initial settlements in 1958, subsequent differentiation between Mennonite settlements evolves. First, land shortage, which tends to become particularly acute considering the religiously inspired intention to raise many offspring, causes new generations to expand beyond the original settlement grounds. Mennonites are not always able to buy state land adjacent to existing settlement lands and therefore have had to move elsewhere in the country (Roessingh and Bovenberg, 2018; Roessingh and Smits, 2010). Second, schisms sometimes develop in communities revolving around different interpretations of the scripture and the implications for the conduct of everyday life and business (Roessingh and Schoonderwoerd, 2005). Disagreements between members of the community can arise over time, for example over interaction with outsiders or the use of electricity or modern equipment. Sometimes more conservative voices prevail and those challenging the *Ordnung* are *ausgeschlossen* (excommunicated); at other times, progressive voices become dominant and a group of more conservative members separates from the community to establish a new community in a settlement elsewhere. Notably, entrepreneurs who in search of business expansion or differentiation seek to use more modern technologies or venture outside the settlement may drive the gradual loosening of religiously inspired restrictions, possibly to the annoyance of more conservative community members.

As a result of the differentiation inherent to their historic trajectory, some Mennonites have become part of the Belizean economic upper class, while others – out of choice – remain isolated, rural and marginal. There are currently four major religious communities (Old Colony, *Kleine Gemeinde*, Evangelical Mennonite Mission Church (EMMC) and the Old Order Hoover Mennonites), scattered over 12 settlements across Belize. In a more conservative settlement such as Springfield, economic activity might be limited to subsistence farming and economic transactions almost exclusively occur between members of the community. The community is largely self-sustaining, evidenced by an internal trading system where community members can lend money during the start-up phase of their business. Interactions with outsiders are kept to a minimum (Roessingh, 2013). The marginal trade occurring with outsiders concerns selling produce such as fruits at the bi-weekly communal market within the settlement (Roessingh and Bovenberg, 2018). As such, communities such as Springfield represent geographically bounded economies and little specialisation. These communities remain impoverished, travel on rudimentary roads and some people may only speak Low German.

At the other end of the spectrum more progressive communities, such as those in Spanish Lookout and Blue Creek, expanded to include large, sometimes internationally oriented businesses that can be considered a part of Belize’s economic upper class. Here, businesses run by Mennonites, owing in part to their transnational networks, developed specialised production processes employing Mennonites as well as non-Mennonite Belizeans living in nearby towns (Penner et al., 2008; Roessingh and Boersma, 2011). Businesses in Spanish Lookout include construction firms, feed mills, restaurants and shopping malls. Furthermore, rather than subsistence farming, Spanish Lookout farmers engage in cash crop cultivation, such as rice and potatoes, destined for the wider Belizean market, and businesses from Spanish Lookout are the primary source of poultry in Belize (Penner et al., 2008; Roessingh and Boersma, 2011; Roessingh and Schoonderwoerd, 2005). Businesses make use of modern technologies such as computers, internet, electricity generators, cars and various machinery to cool dairy, provide air conditioning, slaughter cattle and process meat (Penner et al., 2008). The roads from and to Spanish Lookout are in better condition than the average road network of Belize and the town is frequently visited by non-Mennonite Belizeans who are attracted to do shopping or look for work (Penner et al., 2008). Spanish Lookout has a reputation for value-for-money products and has outposts in other cities to access a bigger market (Roessingh and Boersma, 2011; Roessingh and Schoonderwoerd, 2005).

In contrast to Spanish Lookout, the settlement of Blue Creek is more isolated geographically. However, Blue Creek residents use their strong ties within the EMMC, which is based in
North America. In fact, the progressive EMMC came to Belize from Canada to resolve a schism between Mennonites in Blue Creek, who were first members of the more conservative Old Colony church. Ultimately, the EMMC came to dominate Blue Creek, while those who remained loyal to the Old Colony church founded a new settlement: Shipyard. Today, as a result of the historical connection, many Mennonites from Blue Creek travel back and forth between Canada and Belize have family members in both countries, and hold dual Belizean and Canadian citizenship. This transnational EMMC network has enabled the expansion of business ventures. For example, Blue Creek’s supermarket or two large construction companies import products and machinery from North America that is otherwise unavailable. In doing so, these businesses rely on family members in Canada and the USA, or for example on connections established during EMMC religious conferences that are sometimes held in Winnipeg, Canada. The EMMC transnational connection is also visible in the cultivation of cash crops. Take the case of a large papaya business, which was established when an inhabitant of Blue Creek partnered with EMMC Mennonites from Manitoba, Canada, and Arkansas, the USA. These partners from North America use their connections there for the benefit of the business, for example by hiring a fruit expert to advise about the cultivation process or to arrange access for their papayas to the North American market (Roessingh and Smits, 2010).

While there is debate and disagreement about religious-moral codes between the conservative and more progressive Mennonite entrepreneurs, there is also solidarity and collaboration between them. To stick with the example of the papaya business: although they employ workers from various ethnicities, preference is given to Mennonites from conservative settlements like Indian Creek (Roessingh and Smits, 2010). In times such as when a bad farming year leaves the community impoverished, Indian Creek Mennonites may come to work for the company at Blue Creek. The company management is eager to solicit this labour because they trust their co-ethnics more than others and consider Indian Creek Mennonites hardworking and reliable. Thus, overall the Mennonite presence in Belize is characterised by a differentiated, yet also somewhat cohering spectrum of intentionally marginal niches to an economically successful business class.

Case 2: ethnic Chinese entrepreneurship in Cambodia

The historic trajectory of Chinese entrepreneurship in Cambodia begins as a diversified, sometimes marginalised, even persecuted presence, that over the course of more than 700 years develops into a dominant economic presence that is more ambiguously defined. Throughout the centuries, poverty and political turmoil in Southern China pushed the Chinese to look for novel opportunities abroad, while the promise of trading partnerships and the demand for Chinese labour pulled them to Southeast Asia (Kuhn, 2008). On arrival, Chinese migrants were absorbed in dialect communities, representing different dialect groups from South China, of which Cambodia hosts five, namely Cantonese, Hokkien, Teochiu, Hainanese and Hakka. A symbiosis emerged between the majority Khmer, who were largely agrarian, and Chinese traders and merchants in the cities, also reflecting a contrast between the mobility of the Chinese diaspora and the more localised, village-based character of Khmer traditional society. Khmer kings handed the Chinese monopolies, for example in alcohol and fishing, and preferred they arrange the maritime trade, not only because of their extensive regional networks, but also because, as outsiders to the local hierarchy, the accumulation of wealth in their hands did not pose a political threat (Kuhn, 2008; Willmott, 1967).

Under French colonial rule (1863–1953) most Chinese entered Cambodia, sometimes via destinations such as Singapore or Bangkok and often facilitated by Chinese merchants already established in Southeast Asia (Kuhn, 2008). In the capital Phnom Penh, the colonial administration promoted occupational and spatial separation of the Khmer, Chinese and Vietnamese residents. The French organised the Chinese through congrégations that represented the five dialect groups. The congrégations formed the cornerstone for business
relationships, marriage arrangements and cultural expression, and were used by the French for surveillance and taxation (Edwards, 2007; Muller, 2006; Cooke, 2007; Willmott, 1998). The French depended on the Chinese for cheap labour and to run plantations and collect revenue, and essentially used the Chinese and Vietnamese as economic and bureaucratic middlemen, respectively (Edwards, 2007). The Chinese business community wielded considerable economic power, as the different dialect groups were active in most urban economic niches as well as extensively involved in the cultivation of cash crops. The Cantonese, for example, dominated various trades in the capital Phnom Penh, including the rice and salt trade (Willmott, 2012). They allied with fellow Cantonese in the Vietnamese twin-city of Saigon-Cholon, which was the political and economic centre of French Indochina, in co-opting these trades. For another example, already before French colonisation the Hainanese community had settled in the coastal province of Kampot, where they had established large pepper plantations with the capacity to export pepper to China and Europe. To the frustration of the French, Chinese businesspeople allied with the Khmer throne, which was still the legitimate power in the eyes of most Cambodians. To curb Chinese economic influence, the French implemented regulation that banned the Chinese from landownership (i.e. cultivating cash crops and mining) and certain occupations, effectively driving them into the tertiary sector, and levied special tax on the Chinese (Willmott, 1967).

After 1953, when Cambodia gained independence and King Sihanouk came to power, Chinese commercial dominance persisted, presenting “a near impenetrable wall” (Gottesman, 2003, p. 19). William Willmott (1967) estimated that some 400,000 Chinese lived in Cambodia in the early 1960s. In the countryside, Chinese were engaged in two kinds of activities. Some grew cash crops – most notably pepper and vegetables – to sell at the local or international market. Others established themselves in villages as middlemen for Khmer peasants, buying surplus rice to sell to urban millers, providing urban commodities at the local level, and lending peasants money (Willmott, 1981). Most ethnic Chinese, however, lived in the cities, especially in Phnom Penh. Then as much as today, most urban Chinese were not particularly wealthy, but owned family-run shops, working as shoemaker, carpenter, dentist, cinema owner, barber or baker (Muller, 2006). In Phnom Penh, they established niches along dialect lines, with the Hainanese for example concentrated in hotel and catering and the Cantonese in carpentry and mechanics. A smaller group of urban businesspeople consisted of wealthy business magnates that were either active in trade or engaged in revenue farming (Muller, 2006; Willmott, 1967). The latter was especially profitable, and entailed an arrangement that enabled the monarchy to subcontract all kinds of business niches – e.g. fisheries, alcohol, bananas, pawnshop, lottery and customs – to businesspeople at an annual fee (Cooke, 2007). Almost exclusively, these contracts came into the hands of strategically positioned ethnic Chinese entrepreneurs, who entertained strong connections to the Khmer throne, had access to extensive regional kinship networks to round up capital and credit (Muller, 2006), and possessed the local connections necessary to erect a pyramid system of sub-farmers and agents – who were, again, mostly ethnic Chinese – in order to manage the revenue farming operations. At some point, the countrywide revenue farming operations of opium and gambling alone accounted for 25 per cent of the King’s revenue (Cooke, 2007).

While the wealth and influence of the Chinese in Cambodia increased, with at least 80 per cent in business families (Willmott, 1967), the community also became more multiform in the post-colonial period. As a result of intermarriage between Chinese and Khmer, which was common practice, a category of “Sino-Khmer” (people of mixed Chinese–Cambodian descent) came to exist next to “Sino-Cambodians” (Cambodian citizens of full Chinese descent) (Willmott, 1967, p. xii). Interestingly, Phnom Penh’s upper class – positioned just below the monarchy – consisted of a largely Sino-Cambodian economic upper class and a political elite in which many Sino-Khmer were active. These two categories of ethnic Chinese were closely connected through kinship, friendship and ethnic solidarity, and gained ground over the
leadership of the traditional *congrégation* (Willmott, 1967). In fact, gradually the dialect-based communities became obsolete, first because the *congrégations* collapsed and were replaced by a spectrum of voluntary organisations (such as sports clubs, temple or funeral associations), and second because the Teochiu came to constitute the great majority of ethnic Chinese in Cambodia.

The 1970s and 1980s saw the destruction and oppression of Chinese enterprise. King Sihanouk failed to remain neutral amidst Cold War pressures and was ousted in 1970, followed by a five-year civil war between a US-backed military government and Pol Pot’s China-backed Khmer Rouge. The communist Khmer Rouge overtook Phnom Penh in 1975, emptying the city overnight and forcing people into rural labour camps. They closed off connections to the outside world, killed the intelligentsia and banned private enterprise, property and all commercial transactions. In less than four years (1975–1978), an estimated 1.5–2m Cambodians died from starvation, overwork, diseases and execution. The ethnic Chinese were hit particularly hard as they were persecuted for being urban dwellers, capitalists or Chinese, labels that were often conflated. While many ethnic Chinese managed to flee the country, an estimated 50 per cent died inside Cambodia (Willmott, 1998). In 1979, the Vietnamese army invaded Cambodia, drove the Khmer Rouge towards the border area with Thailand and installed a government of former Khmer Rouge who had fled Pol Pot’s internal purges to Vietnam, including Hun Sen, who has been Cambodia’s prime minister since 1985. Due to hostility between Vietnam and China, ethnic Chinese were discriminated during the period of Vietnamese occupation (1979–1989), and Chinese language and culture were forced underground. The regime tried to develop state-led enterprises, but these failed to take root, while ethnic Chinese created home-based businesses and ventured into petty trade along the Thai border (Gottesman, 2003). The latter was arranged by Teochiu – the majority of ethnic Chinese in Cambodia as well as Thailand – who had to manoeuvre the Thai army and remaining Khmer Rouge cadres while smuggling goods such as cutlery, cigarettes or motorbikes across the border.

The period since 1989, when the Vietnamese left, has witnessed the political rise of Hun Sen and his Cambodian People’s Party (CPP), which grew out of the Vietnamese-backed regime. Under Hun Sen’s rule, the Cambodian Chinese re-established themselves as the driving force of the economy and re-asserted the Chinese language, schooling and cultural expression (Edwards, 2009; Verver, 2015; Willmott, 1998, 2012). The informal trading networks of the 1980s expanded and public enterprises that were privatised came into the hands of ethnic Chinese entrepreneurs. As before the war, Cambodians of Chinese descent ventured into all kinds of economic niches, from the small-scale import and retail of consumer goods to the large-scale exploitation of Cambodia’s natural resources and cheap labour (Verver, 2015; Willmott, 1998). In doing so, Cambodia’s ethnic Chinese benefit greatly from transnational connections. Extended family members who fled the Khmer Rouge to Europe or North America for example provide start-up capital or access to business-related studies at top-universities for the younger generation, while regional Chinese family and ethnic networks assure access to the supply of raw materials or consumer goods and openings for joint ventures (Verver and Koning, 2018). Also, a new stream of Chinese migrants, who have been coming to Cambodia since the 1990s in the slipstream of China’s growing political and economic influence, has brought along novel opportunities in the form of partnerships, investments and supplies.

Looking at present-day Cambodia, the first notable outcome of their historic entrepreneurial trajectory is that the ethnic Chinese now represent the economic elite. While small ethnic Chinese family businesses re-occupied their established niches, a dominant force comprises business tycoons within the political clout of CPP top-officials and military generals on which Hun Sen relies, and within which favours, status positions and money are distributed (Verver, 2017). The tycoons part of this elite, most of whom are ethnic Chinese, carry the title of *oknha*, an honour once carried by the Khmer nobility, but which was revitalised in 1994 to award businesspeople spending in excess of $100,000 to
national development projects, such as constructing a school or Buddhist pagoda (Verver and Dahles, 2015). While formally awarded by the King, in practice CPP officials, especially Hun Sen, identify candidates, and hence the oknha title has become “the preserve of businessmen interested in formalising their relationship with the State (and by extension the CPP)” (Ear, 2011, pp. 72-73). The oknha tycoons and the CPP leadership cultivate a highly reciprocal relationship. The tycoons rely on the CPP for a range of privileges, which assure their success in business. Prominent oknha have for example acquired the ticketing rights for the famous Angkor temple complex, import monopolies for prominent international electronics or liquor brands, public contracts for the construction of government buildings or delivering rice to the army and exclusive licences to pick up the garbage or operate industrial zones. Moreover, high-level politicians assure that state officials turn a blind eye to illicit practices such as tax evasion, smuggling goods and illegal logging and sand dredging. The tycoons reciprocate via under-the-table money or company shares for their political patrons as well as financial support for the CPP as a whole (Verver and Dahles, 2015). Within this business-state elite, which is concentrated in Phnom Penh, patron-client ties are forged and rearticulated for example on the golf course, via arranged marriages of the younger generation, and through charity events, such as events of the Cambodian Red Cross, which is headed by prime minister Hun Sen’s wife. In all, a sizeable ethnic Chinese business elite has emerged under Hun Sen – comprising at least 700 oknha (Odom and Henderson, 2014) – that is highly intertwined with the political elite.

The second notable outcome of the historic entrepreneurial trajectory is that ethnic boundaries have become ambiguous in Cambodian society, and especially in Phnom Penh. This is a result of spontaneous processes such as intermarriage, the merging of Khmer and Chinese interests within the elite and the presence of a sizeable ethnic Vietnamese community that absorbs much Khmer hostility towards the ethnocultural “other”. It is also an effect of the Khmer Rouge years, when the ethnic Chinese were forced to “become Khmer” in terms of the food they ate, the way they dressed, the names they adopted, the language they spoke and the work they did (Edwards, 2009). Currently, most ethnic Chinese are third or fourth generation migrants, speak Khmer as their mother tongue, hardly organise themselves on the basis of ethnicity and have often never been to China. Blurred ethnic boundaries are also reflected in popular lexicon: Cambodia’s ethnic Chinese are mostly referred to as kmae-cen (Khmer-Chinese) and sometimes as coul kmae (meaning “entered the Khmers”) or kmae yeung (“we Khmer”, indicating attachment to the nation) (Edwards, 2009). At the same time, however, “doing business” is very much associated with “being Chinese”, to such an extent that, irrespective of actual ethnic background, businesspeople situationally employ both Khmer and Chinese ethnicity. This is for example observed in Cambodia’s silk industry (Dahles and Ter Horst, 2012). Silk weavers, who are located in the rural areas of the Mekong river delta and mostly engage in weaving as part of the household economy next to farming, are portrayed as Khmer, conforming to tourists’ expectations for “authentic” Khmer products. In contrast, the urban silk traders, wholesalers and retailers, most of whom are based in Phnom Penh, are portrayed as Chinese, in accordance with the historical dominance of the Chinese in commerce (Dahles and Ter Horst, 2012). Arguably, ethnic Chinese entrepreneurship “has become disembedded from a definable Chinese community and, over the last two to three decades, reembedded in Phnom Penh’s socioeconomic sphere, which is largely made up of Cambodian Chinese entrepreneurs” (Verver, 2012, p. 49).

Discussion and conclusion: insights from ethnic minority entrepreneurship outside the west
The historic entrepreneurial trajectories of the Mennonites in Belize and the Chinese in Cambodia reveal the communal and societal contexts faced by two ethnic minorities outside the west, and the ways in which these contexts bring about a mode of entrepreneurship that stands in sharp contrast to conventional understandings derived from western contexts.
First, whereas ethnic minority business activities are generally associated with economic marginality, our cases show that ethnic minorities may also come to comprise the economic upper class. Mennonite and Chinese immigrants did not enter advanced economies in which it was hard to carve out profitable niches and compete with existing populations. Instead, they possessed entrepreneurial resources that natives lacked, such as the agricultural expertise of the Mennonites and the regional trading networks of the Chinese, which they could readily employ in the host countries. Moreover, immigrants’ business ventures were welcomed by power-holders because the latter recognised the economic benefits thereof for themselves or the local economy. In time, some among these two minority groups have further embedded themselves in the local political and economic structure, thereby climbing to the ranks of economic upper class. The Mennonites of Blue Creek and Spanish Lookout have gradually adopted more liberal interpretations of their religious-moral codes of conduct, which allowed them to use modern technology, trade with outsiders and, thereby, grow and diversify their businesses. In Cambodia, ethnic Chinese tycoons have forged reciprocal ties with Khmer kings and, currently, the ruling CPP party, thereby acquiring the benefits and protection necessary to establish themselves in the country’s most lucrative sectors.

Second, whereas ethnic minority entrepreneurship is generally considered to take place within ethnic community boundaries, our cases instead reveal ambiguous ethnic boundaries by way of internal community differentiation and the intersection of ethnic and mainstream economies. Community differentiation among the Chinese in Cambodia occurred along dialect lines, with different dialect groups traditionally occupying different economic niches. While dialect-based differentiation among the Chinese in Cambodia has become largely obsolete, internal differentiation is rather perceptible among the Mennonites in contemporary Belize. Here, more conservative and progressive Mennonite communities have emerged, which differ in terms of the economic activities undertaken contingent upon their religious-moral code. Reflecting ethnic economy-like arguments, there are largely self-sufficient Mennonite communities in Belize that hardly interact with outsider, and there are ethnically defined markets for Chinese products, especially food, in Cambodian cities. However, the more apparent pattern is that, in the process of migrating, settling and venturing into business in new lands, the Mennonites and the Chinese have manoeuvred the Belizean and Cambodian economies in such a way that they have become an integral part of these economies, defying the distinction between ethnic and mainstream economies. In the case of Cambodia, this process has gone hand in hand with the blurring of boundaries between Chinese and Khmer ethnicity, while in the case of Belize especially with internal differentiation among Mennonites.

Taken together, the general image of ethnic minority entrepreneurship as an economically marginal phenomenon that is largely confined to and organised within homogenous ethnic communities does not hold for our two cases. Instead, this paper reveals that sub-ethnic differentiation can strongly affect entrepreneurship, and that some sub-ethnic groups can come to comprise the economic upper class. Our argument is not so much that economic marginality and ethnic economy are false characterizations of ethnic minority entrepreneurship, but that while these characterizations are often taken for granted, they are in fact historically contingent upon the particular mode of settling and venturing into business by immigrants and their descendants in the west. In other parts of the world ethnic minority entrepreneurship takes different forms, and currently these forms remain underexposed.

It must be noted that literature on immigrant and ethnic minority entrepreneurs in the west is not completely devoid of the sort of dynamics that we observe in Belize and Cambodia. First, there is increasing recognition of an emerging middle to upper class of ethnic minority entrepreneurs. Kloosterman and Rath (2010) observe a “qualitative shift from low-value to high-value added business” (p. 101; cf. Nazareno et al., 2018). Business diversification is seen to occur within ethnic niches (Bagwell, 2008) and by developing opportunities outside existing niches. Especially second-generation migrants make use of education, ethnically pluralistic
networks and technological or market knowledge attained in their formative years, and thereby manage to “break out”, which allows them to circumvent the barriers to growth of “staying in” the ethnic economy (Engelen, 2001; Rusinovic, 2008; Wang and Warn, 2019). Also, the transnational networks and cross-cultural competencies of ethnic minorities, which allow them to create lucrative brokerage opportunities across national borders, are highlighted in recent studies (Brzozowski et al., 2014; Nazareno et al., 2018). Members of some ethnic minorities have thus moved from “necessity” to “opportunity” entrepreneurship – often leaving paid employment voluntarily (Ndofor and Priem, 2011) – by establishing innovative businesses in professional services, the creative industries or high-tech sectors (Dheer, 2018; Hart and Acs, 2011; Smallbone et al., 2005; Soydas and Aleti, 2015).

Second, the suitability of the ethnic economy framework, and especially its underlying assumption of homogenous ethnic communities, is increasingly questioned in literature on immigrant and ethnic minority entrepreneurship in the west. Internal differentiation of ethnic communities is highlighted for example by scholars who use the notion of “super-diversity” (Vertovec, 2007) to indicate an increased “diversification of diversity” (Jones et al., 2010, p. 565) among recent migrants, for example with respect to national origin, migration status or age group (e.g. Sepulveda et al., 2011). Similarly, the idea of “intersectionality” attests to the observation that various modes of social differentiation (e.g. ethnicity, class, gender, age) may simultaneously affect entrepreneurship (Barrett and Vershinina, 2017). Also, the ethnically hybrid character of ethnic minority businesses, for example in terms of business partnerships (Griffin-El and Olabisi, 2018) or management teams (Arrighetti et al., 2014), has become more tangible. Interestingly in this respect, Zubair and Brzozowski (2018) show that recent migrants, who cannot rely on an ethnic economy because it is not (yet) developed, instead forge linkages with natives or people from other ethnic groups to sustain their businesses. Studies on super-diversity, intersectionality and hybridity thus counter the tendency to “reduce immigrant entrepreneurship to an ethnocultural phenomenon” (Rath and Kloosterman, 2000, p. 666).

Recent reviews of the field (Aliaga-Isla and Rialp, 2013; Dheer, 2018; Nazareno et al., 2018; Pécoud, 2010; Ram et al., 2017), however, show that these new developments are only beginning to gain ground, while conventional understandings remain dominant. In line with the presumption of bounded ethnic economies, studies still “tend to consider all immigrants from a particular nation as a homogenous group” thereby downplaying “significant sub-cultural differences” associated with “religion, class, caste, race, gender, language, occupations, native and local cultures, etc. in influencing the process of new venture creation by immigrants” (Dheer, 2018, p. 606). Similarly, domain analysis shows that terms like “marginalisation” and “institutional discrimination” remain central in the literature (Aliaga-Isla and Rialp, 2013), while recent empirical studies show that, despite their “super-diverse” backgrounds, “newcomers seem to be engaged in much the same restricted range of low-value businesses as earlier groups [thereby] reproducing the marginality of their forerunners” (Jones et al., 2014, p. 501; cf. Kloosterman et al., 2016).

In our view, more contextual heterogeneity in the field of ethnic minority entrepreneurship studies should be an aim in itself, especially in light of changing global migration patterns and ethnocentric connotations implied in the sole focus on the west. While we have focussed on ethnic minority entrepreneurship in two small developing economies, it would be illuminating to also acquire more insight into other kinds of countries outside the west, for example in more industrialised countries such as South Korea, Japan and China. Moreover, we very much encourage more comparative research on immigrant and ethnic minority entrepreneurship (cf. Ram et al., 2017; Rath, 2000), especially between western or developed and non-western or developing contexts. Such research will likely uncover vastly different entrepreneurial trajectories, while at the same time it may show similar outcomes across these different entrepreneurial trajectories. Based on the above we may tentatively argue, for example, that in developed countries it is largely through break-out strategies by (grand)children of migrants...
that an economic middle to upper class of ethnic minority entrepreneurs emerges and that ethnic and mainstream economies become more intertwined; in developing countries, in contrast, first-generation migrants may more immediately climb to the ranks of economic upper class because natives lack the entrepreneurial resources or skills migrants bring, and ethnic and mainstream economies may therefore also be more immediately intertwined. We hope to have inspired future research on ethnic minority entrepreneurship that investigates such contextual heterogeneity in more depth.

While more contextual heterogeneity in ethnic minority entrepreneurship research should be an aim in itself, it is also a promising catalyst to work towards a “more neutral conceptual framework” (Engelen, 2001, p. 203) that goes beyond the existing western bias. Drawing on our cases, we may tentatively identify two dimensions of such a framework. First, a more neutral framework would have to recognise that, rather than attaining a universal form, ethnic minority entrepreneurship manifests in different ways depending on historical, societal and communal contexts. To that end, it may be more suitable to think about ethnic minority entrepreneurship along the lines of spectra. Overlaying our cases and existing literature, one may usefully consider spectra from economic marginality to dominance, from relatively clear to more ambiguous boundaries between ethnic and mainstream economies, and from more locally to transnationally embedded business networks (cf. Nazareno et al., 2018). Second, a more neutral framework would have to go beyond the analytic focus on structural features at the ethnic community level, which currently reifies ethnic economy-like understandings and obscures the importance of internal differentiation and interactions across ethnic boundaries (Danes et al., 2008; Pécoud, 2000). A promising alternative may be a more micro-level focus on the process of entrepreneurship (Storti, 2014). In line with super-diversity and intersectionality arguments, through such a focus one may be better able to uncover the range of sociocultural ties—ethnic as well as other ties—in involved in this process (Verver and Koning, 2018). In all, we hope to have shown in this paper that contextual heterogeneity holds the potential to contribute “renewed analytical tools” (Pécoud, 2010, p. 71) working towards a field of immigrant and ethnic minority entrepreneurship studies that is at the same time more context sensitive and globally oriented.

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Making sense of mixed-embeddedness in migrant informal enterprising

The role of community and capital

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Abstract

**Purpose** – The purpose of this paper is to discuss how informal migrant entrepreneurs with different legal statuses interpret their mixed-embeddedness in social and economic contexts. Legal status represents a key determinant in shaping accessible social networks and market opportunities that in turn influence entrepreneurial choices.

**Design/methodology/approach** – The paper adopts an interpretative stance to explore how migrant entrepreneurs interpret mixed-embeddedness. It draws on the empirical evidence from a cross-sectional sample of 26 asylum seekers that engaged with enterprising activities in the city of Nottingham in the UK. A recursive hermeneutic process guided the iterative readings of the accounts to develop theoretical insights on how these agents reinvent their relationship with structure.

**Findings** – A novel theoretical framework emerges from the data analysis to present how these particular migrants use understandings of community and notions of capital to make sense of their mixed-embeddedness. The main theoretical contribution of the framework is to illustrate how groups with different legal statuses produce unique interpretations of mixed-embeddedness. This, in turn, reflects onto specific forms of enterprising and innovative entrepreneurial choices. The framework also produces an empirical contribution as it re-centres the analysis of mixed-embeddedness around the migrant entrepreneur from previous meso- and macro-level perspectives that dominated recent research.

**Research limitations/implications** – The paper expands knowledge on the notion of mixed-embeddedness by providing insights on how informal migrant entrepreneurs make sense of it. This can form the basis for allowing scholars to address empirically how migrant entrepreneurs reconcile their embeddedness in both social and economic contexts. In terms of practical implications, the paper paves the way for policy-makers to re-evaluate the current approach to the right of asylum seekers to pursue entrepreneurial activities.

**Originality/value** – The notion of mixed-embeddedness is central to research on informal migrant enterprising. Nevertheless, the concept remains fuzzy and difficult to operationalise. The paper offers an opportunity to understand how migrant entrepreneurs make sense of mixed-embeddedness so that future scholars can better explore how mixed-embeddedness reconciles agency and structure.

**Keywords** Immigrants, Entrepreneurship, Ethnic groups, Enterprise

**Paper type** Research paper

Introduction

The notion of mixed-embeddedness is a crucial theme in migrant entrepreneurship research (Kloosterman et al., 1999; Kloosterman, 2010). Mixed-embeddedness aims at reconciling changes in socio-cultural frameworks with transformations in the urban economy as it encompasses “the crucial interplay between the social, economic and institutional contexts” (Kloosterman et al., 1999, p. 257). To understand the choices and behaviours of migrant entrepreneurs, mixed-embeddedness requires to consider their level of embeddedness in both social networks and market opportunities (Kloosterman, 2010).

At meso- and macro-levels, individuals are embedded in webs of social networks (Granovetter, 1985). Emerging from the social networks literature, embeddedness allowed researchers to explain most of the dynamics surrounding the successes of migrant entrepreneurs (Waldinger, 1995). It rebalanced the relationship between agency and structure proposing that individual choices are engrafted in social and institutional webs of relationships (Granovetter, 1985). In migration and regional studies, this generated a view
that social embeddedness influences entrepreneurial behaviours because it denotes the social capital and networks necessary in particular groups to pursue enterprising activities (Portes, 1997). By expanding this view to market exchanges, Engelen (2001) postulated social embeddedness as “the motivations, orientations, or attitudes of the actors in question rather than the resources – social capital, social networks – they possess” (p. 209).

Migrant entrepreneurs are also enmeshed in the characteristics of the local market, which presents a “coalescence of various labour, market, capital and competitive pressures” (Barrett et al., 2002, p. 17).

A special issue on “The economic context, embeddedness and immigrant entrepreneurs” in this very journal (Vol. 8, Nos 1-2) debated how embeddedness and mixed-embeddedness became the dominant reference points for understanding entrepreneurial choices amongst migrants. Aiming to explain embeddedness at the macro-level, Razin (2002) defined economic embeddedness as “the economic context for immigrant entrepreneurship, at the national and local levels, and how it interacts with traits of the immigrants themselves, as individuals and groups” (p. 163).

Nevertheless, the ongoing debate in literature shows how these concepts remain mostly fuzzy and difficult to operationalise and verify empirically (Razin, 2002). Despite a wide adoption of mixed-embeddedness, migrant enterprising remains mostly studied as being group specific with insufficient investigations of other aspects (Rath and Kloosterman, 2002). Research attempts to reconcile the different aspects of mixed-embeddedness have failed to notice what happens in the migrants’ perspectives (Kloosterman, 2010). Drawing on this gap, the paper addresses the question “how do migrant entrepreneurs interpret mixed-embeddedness?” by integrating the two aspects of mixed-embeddedness with the notions of community and capital. The former is explored considering both its geographical and relational understandings (Gusfield, 1975; Lumpkin et al., 2018). The latter is interpreted using Bourdieu’s (1986) theory of capital conversions, through which agents can transform economic capital into other forms of power.

The social networks and the market opportunities that influence entrepreneurial choices are in a constant flux, morphing over time. The literature has explored the impact on entrepreneurial choices of structural changes such as dwindling existing ethnic markets (Phizacklea and Ram, 1995); recession and competitive pressures (Ram and Hillin, 1994); the evolution of the clientele’s characteristics (Basu, 2010); the development of skills and socio-cultural programmes (Masurel et al., 2002); the redefinition of access to finance (Ram et al., 2003) or the support available to entrepreneurs (Ram et al., 2002).

This paper expands the existing knowledge on mixed-embeddedness by exploring what happens when constituent elements that define the role of the migrants in their social networks change. For example, when migrants achieve a different immigration status, they reassess their role in both society and community. The legal status of immigrants is therefore a key determinant for considering enterprising as a viable career choice (Barrett et al., 2002). New roles might redefine social status and offer access to new market opportunities. The legal status is especially important for those migrants who want to lawfully integrate in the host society. Yet, uncertainty over legal status is often a determinant for migrants to choose enacting entrepreneurial activities in the informal economy. The so-called shadow economy present new market opportunities that redesign the economic context where migrants are embedded. These considerations lead to second question the paper aims to address: “how do changes in the immigration status influence the migrant entrepreneurs’ interpretation of mixed-embeddedness?” To address those questions, the study draws on the life journey of asylum seekers. Amongst the different typologies of immigrants, asylum seekers see their legal status necessarily change over time. This makes them a suitable group for observing how individuals reinvent opportunities and relationships in both community and society.
The paper is organised as follows: first, it reviews the literature on community, focusing especially on its role in migration research. Second, it analyses processes of value-creation in informal migrant entrepreneurship research. Third, it uses the mixed-embeddedness framework to evaluate empirical evidence from the analysis of the stories of 26 asylum seekers in the UK. Building on the analysis, the paper presents community and capital as interpretative means that migrant entrepreneurs use to navigate mixed-embeddedness and orient value creation. Finally, the paper draws its conclusions and offers policy implications for making sense of the entrepreneurial behaviours of migrant entrepreneurs when their structural marginalisation due to their legal status changes.

Enterprising migrants and community

The notion of community is central to a variety of disciplines (Bulmer, 1985). Studies on geography (Cater and Jones, 1989); regional and urban development (Masurel et al., 2002); religion (Fitzgerald, 2003); media (Howley, 2005); politics (Frazer, 1999); and sociology (Tönnies, 1887/2001; Gusfield, 1975) all debated its determinants and core elements. Various attempts to conceptualise community only renewed the confusion and confirm the elusiveness of a shared definition (Delanty, 2003). Inspired by the experiences of the UNESCO Institute for Lifelong learning, Lumpkin et al. (2018) attempted to organise these perspectives into four major conceptualisations that reflect different organisational manifestations of community. The authors suggest that community can be conceptualised around geographical demarcations; identity affiliations; shared interests; or common intentions. Affiliations, interests, and intentions are essentially relational exercises as they refer to the nature and quality of relationships within a particular location (Gusfield, 1975).

Tönnies (1887/2001) stressed the importance of such human connections in his initial conceptualisation of Gemeinschaft. This encompasses a web of human relationships at times interpreted as commonality of goals and objectives (Somerville, 2016); shared learning process in a particular field (Wenger, 1998); exchange of information and mutual support (Cater and Jones, 1989); issues of identity and belonging, especially in terms of kinship and networks (Coleman, 1990); cultural alignment (Portes, 1997); political mobilisation (Delanty, 2003); religious association (Fitzgerald, 2003).

The second aspect identifies community as a discrete geographical association of people, linked by the sense of belonging to a place (Crow and Allen, 1994). Modern technologies challenge this understanding by overcoming distance and decoupling community from a physical co-presence in a defined place. Community thus can be seen as transnational (Delanty, 2003) or indeed virtual (Somerville, 2016) whereby its territorial understanding transcends physical boundaries. Community can refer to the social ties in the home country or to the ones in the host country (Delanty, 2003).

The two understandings of community represented an especially crucial theme in migration research (Fadahunsi et al., 2000; Bakewell, 2014). Earlier authors (e.g. Migration System Theory) interpreted community as the system reciprocally linking personal networks in the place of origin with compatriots in the place of destination (Bakewell, 2014). Later views (e.g. Cumulative Causation Theory) observed how these systems self-perpetuate over time. In this perspective, community “links migrants, former migrants, and non-migrants in origin and destination areas by ties of kinship, friendship, and shared community of origin” (Massey, 1990, p. 7). In doing so, it lowers the social and economic costs of migration, it increases the information available and it offers opportunities for work and enterprise (Fussell, 2010). Alternative perspectives considered community not only in migration decisions, but also in the settling process. For example, Institutional Theory theorised community as the system of formal (and informal) institutions (e.g. non-governmental organisations, migrant associations, and other private institutions) that complement governmental immigration systems and offer services to help migrants navigate their new social contexts. In these grooves, informal
entrepreneurs often find opportunities for diverse activities such as smuggling, clandestine transport or informal labour contracts (Massey et al., 1993). Finally, considering migrants’ behaviours in the informal context in relation to specific social and institutional roles introduced the importance of social networks (Goss and Lindquist, 1995). For example, Social Capital Theory stressed how community contributes to create change among people and this, in turn, sets in train specific actions (Coleman, 1990). Therefore, not only does community reinforce cultural references, but it also fosters specific behaviours as socially accepted and even desirable (Portes, 1997).

Reviewing these perspectives is important for the analysis of mixed-embeddedness for two reasons. First, they all share references to how the notion of community facilitates social and cultural exchanges (Portes, 1997) as well as market exchanges (Ram and Jones, 2008). Second, these theories predominantly present community as structure, shaping the migrants’ choices and behaviours. Further, community emerged in antithetic terms to the actions of the migrant, following an “us versus them” discourse (de Haas, 2010). Yet, the interface between agency and structure in migration studies received little attention (Bakewell, 2014). The framework presented in this paper suggests establishing community as a mechanism for making sense of mixed-embeddedness. It does so by showing how entrepreneurs in informal contexts interpret it in terms of both territorial and relational identification.

Enterprising migrants and capital in the informal economy
Previous research widely discussed how migrant enterprising is likely to emerge in informal contexts (Ram et al., 2007; Williams, 2007; Ram and Jones, 2008). Informal enterprising remains under-researched in mature economies, as the phenomenon is traditionally associated with developing or emerging economies (Webb et al., 2014; Williams, 2015). Dedicated research stressed the importance of informal enterprising also in mature contexts (Frith and McElwee, 2009). This is especially important as informal ventures often incubate future formal businesses (Williams and Martinez, 2014).

Generally, migrants that lack legal status are more likely to pursue opportunities in the informal economy (Barrett et al., 2002). So, irregular, unauthorised, unlicensed and undocumented migrants might rely on informal work as their uncertain status and transitory domicile often prevent them from seeking formal work (Düvell et al., 2010). In such circumstances, migrants might face exploitative labour conditions; endure challenging living conditions; or be victims of criminal syndicates (Baldwin-Edwards and Arango, 1999; Anderson, 2007). Their lives are often transient as they expect sudden relocation, police prosecutions, detention or repatriation (Colombo, 2013). Informal enterprising, thus, becomes a more preferable alternative to compensate for the lack of access to formal work (Anderson, 2007). It nurtures skills and abilities (Ram and Jones, 2008) and it generates returns and opportunities for both the actors involved and the community (Ram et al., 2007).

The social and economic embeddedness of informal migrants follow a continuous redefinition of social ties and market structures. Goals, expectations, attitudes and opportunities are constantly revaluated and renegotiated. The business reasons pushing migrant entrepreneurs to enact one venture might be replaced by other emerging pressures (Basu, 2010). In the context of a field that morphs over time, one could expect agents to adjust entrepreneurial choices so to pursue different types of returns. Value-creation can go beyond mere monetary rewards to incorporate other achievements in terms of power or prestige. Bourdieu’s (1986) notion of capital is useful for understanding such processes. In his view, the endowment of capital extends over its mere economic notion, to include for example social; cultural; and symbolic capital (De Clercq and Voronov, 2009; Pret et al., 2016; Drakopoulou-Dodd et al., 2018). In entrepreneurial contexts, agents can actively accumulate and strategically deploy these different forms of capital (Bourdieu and Wacquant, 1992; Drakopoulou-Dodd et al., 2018). Agents use enterprising activities not only as a way to benefit from economic opportunities, but
also as a means to transform economic capital into other forms of capital and vice-versa. The emerging framework presented in this paper uses Bourdieu’s (1986) notion of capital as a mechanism for making sense of mixed-embeddedness by showing how entrepreneurs in informal contexts focus on converting economic capital into other forms of power.

Methodology and research design

The paper adopts an interpretative stance to explore how migrant entrepreneurs interpret mixed-embeddedness. It draws on the empirical evidence from a cross-sectional sample of 26 asylum seekers that engaged with enterprising activities in the city of Nottingham in the UK. A qualitative analysis of the accounts helped to develop theoretical insights on how these particular migrants use understanding of community and notions of capital to make sense of their mixed-embeddedness.

Asylum seekers are a representative sample of migrants that are structurally marginalised and whose legal status changes over time. The UK government aims at processing asylum applications within six months, unless a claim is complex (i.e. “a non-straightforward case”). Nevertheless, 49 per cent of asylum applications in 2017 took longer than six months to be processed. Thousands of cases wait for longer than twelve months, although compounded data make it difficult to aggregate them by year. In addition, many asylum seekers who initially fail to be granted status appeal the initial decision. In total, 62.4 per cent of the refused applicants appealed the decision in 2017 (Hawkins, 2018). Appeals can often take months and in some cases years until a final decision is reached. Meanwhile, these individuals are in an administrative limbo as asylum seekers and failed asylum seekers in the UK cannot legally work, volunteer, start a business, or study (Home Office, 2018). Such conditions imply that asylum seekers often face destitution when waiting for a decision.

The study adopted a purposive theoretical sampling that included asylum seekers at different stages of their legal journey (Bryman and Bell, 2015). In studying migrant enterprising, previous research focussed mainly on intra-ethnicity groups (Aldrich and Waldinger, 1990; Masurel et al., 2002). This paper instead analyses a cross-section of ethnicities as it focusses on legal status as a discriminant for group identification (Barrett et al., 2002).

The final sample consisted of four different sub-categories of respondents: early arrival asylum seekers; long resident (more than twelve months) asylum seekers and failed asylum seekers who appealed the decision; asylum seekers who achieved status in the last six months and asylum seekers that achieved status more than one year before. The number of respondents is due to an accurate search for theoretical saturation (Treviño et al., 2014).

The choice to include in the sample asylum seekers with different legal statuses facilitated the observation of how the same category of migrants can face different combinations of mixed-embeddedness. Ideally, a longitudinal study would have been more appropriate (Bryman and Bell, 2015). However, the often-transient nature of the population makes longitudinal studies in these contexts extremely challenging (Düvell et al., 2010).

The sample included respondents of different nationalities, gender, age and at different stages of their enterprising journey to ensure that the emerging theory was robust. As expected, respondents tended to reflect waves of immigration, with Middle-Eastern migrants (e.g. Iraqis, Afghans) representing the majority of long-term migrants and people from emerging crises (e.g. Eritreans; Burundians) more represented in recent arrivals. Also women are more represented in early arrivals reflecting trends in the population of asylum seekers (Blinder, 2018).

All respondents have been involved in some forms of enterprising, mostly in the informal sector, as expected (Anderson, 2007). If initially the aim was to include structured forms of enterprises, the theoretical sampling approach soon required considering different experiences of enterprising, albeit small or fragmented. The sample was skewed in terms of gender with a high proportion of male respondents. This reflects the population studied (Blinder, 2018). Table I summarises the details of the sample.
The research team collected qualitative data using recorded semi-structured interviews. This is an established method in researching both informal enterprising (Frith and McElwee, 2009; Vershinina and Rodionova, 2011) and migrant enterprising (Fadahunsi et al., 2000). The research team involved two research assistants to support the data collection and key informants to build the necessary trust with such marginalised groups (Düvell et al., 2010).

The team also interviewed key informants at a local NGO to contextualise the accounts of the enterprising migrants in the informal economy (Fleming et al., 2000).

An interview protocol guided the interviews. This included specific questions to investigate the migrant entrepreneurs’ social and economic embeddedness. Interviews lasted on average around 45 min. Where possible, the research team conducted interviews in English. Respondents could switch to their native language when one member of the team could act as a translator. This not only increased the comfort of the interviewee, but it also facilitated the capture of linguistic nuances. The research team recorded all interviews and transcribed them verbatim. However, due to the sensitive nature of the discussion, often interviewees preferred to speak off-the-record. Interviews were hence often fragmented. This required the interviewers to collect extensive field notes that integrated the recorded data.

The coding of the qualitative data drew on aspects that the existing theories on social (Engelen, 2001) and economic (Razin, 2002) embeddedness. Table II offers an

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Gender</th>
<th>Country</th>
<th>Sector of main enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early arrival asylum seekers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>Male</td>
<td>Burundi</td>
<td>Painting/Decorating</td>
</tr>
<tr>
<td>B</td>
<td>Male</td>
<td>Afghanistan</td>
<td>Grocery wholesale trading</td>
</tr>
<tr>
<td>C</td>
<td>Female</td>
<td>Cape Verde</td>
<td>Cleaning services</td>
</tr>
<tr>
<td>D</td>
<td>Male</td>
<td>Eritrea</td>
<td>Construction</td>
</tr>
<tr>
<td>E</td>
<td>Male</td>
<td>Iran</td>
<td>Car wash</td>
</tr>
<tr>
<td>F</td>
<td>Female</td>
<td>Syria</td>
<td>Cleaning services</td>
</tr>
<tr>
<td>Long-term asylum seekers (more than 12 months) and failed asylum seekers who appealed the decision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Male</td>
<td>Kurdistan/Syria</td>
<td>Catering</td>
</tr>
<tr>
<td>H</td>
<td>Female</td>
<td>Sudan</td>
<td>Translation services</td>
</tr>
<tr>
<td>I</td>
<td>Female</td>
<td>Eritrea</td>
<td>Alteration services</td>
</tr>
<tr>
<td>J</td>
<td>Male</td>
<td>Syria</td>
<td>Legal services</td>
</tr>
<tr>
<td>K</td>
<td>Male</td>
<td>Kurdistan/Iraq</td>
<td>Barber</td>
</tr>
<tr>
<td>L</td>
<td>Female</td>
<td>Congo DR</td>
<td>Wholesale trading</td>
</tr>
<tr>
<td>Asylum seekers who achieved status in the last 6 months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>Male</td>
<td>Sudan</td>
<td>Electrician</td>
</tr>
<tr>
<td>N</td>
<td>Male</td>
<td>Afghanistan</td>
<td>Catering</td>
</tr>
<tr>
<td>O</td>
<td>Male</td>
<td>Sudan</td>
<td>Maintenance services</td>
</tr>
<tr>
<td>P</td>
<td>Male</td>
<td>Kurdistan/Iraq</td>
<td>Phone repair</td>
</tr>
<tr>
<td>Q</td>
<td>Male</td>
<td>Zimbabwe</td>
<td>Music/Video editing</td>
</tr>
<tr>
<td>R</td>
<td>Female</td>
<td>Morocco</td>
<td>Catering</td>
</tr>
<tr>
<td>Asylum seekers that achieved status for longer than 1 year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>Male</td>
<td>Iran</td>
<td>TV/IT shop and repair</td>
</tr>
<tr>
<td>T</td>
<td>Male</td>
<td>Kurdistan/Iraq</td>
<td>Phone repair</td>
</tr>
<tr>
<td>U</td>
<td>Male</td>
<td>Iran</td>
<td>Barber</td>
</tr>
<tr>
<td>V</td>
<td>Male</td>
<td>Iraq</td>
<td>Catering</td>
</tr>
<tr>
<td>W</td>
<td>Male</td>
<td>Kurdistan/Iraq</td>
<td>Barber</td>
</tr>
<tr>
<td>X</td>
<td>Male</td>
<td>Afghanistan</td>
<td>Catering</td>
</tr>
<tr>
<td>Y</td>
<td>Male</td>
<td>Pakistan</td>
<td>Welding</td>
</tr>
<tr>
<td>Z</td>
<td>Male</td>
<td>Iraq</td>
<td>Shopkeeper (Cigarettes trade)</td>
</tr>
</tbody>
</table>

Table I. The sample
<table>
<thead>
<tr>
<th>Group</th>
<th>Social embeddedness</th>
<th>Economic embeddedness</th>
<th>Geographic understanding of community</th>
<th>Relational understanding of community</th>
<th>Transformation of capital</th>
<th>Forms of enterprising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early arrival asylum seekers</td>
<td>“Although my expertise was in tailoring, I started a carwash. Then I became a worker in another carwash. I then did other jobs like organise deliveries to ladies who cannot go to the shops and offering translation services to the community here, in Turkey and back home. I also did tailoring services at home, but I was getting very little money for it. In this situation, people take advantage of you, show little respect for your dignity, and your job[…] After all those jobs I now started this successful car wash and I feel better as people in the community can see that I am doing something serious” (Respondent E)</td>
<td>Search for “Respect” and “Dignity”</td>
<td>Only informal work available. Exploitation is common. “people take advantage of you”</td>
<td>Straddled between home and host country “the community here, in Turkey and back home”</td>
<td>Family, Friends, Clan</td>
<td>Economic capital is transformed into Social Capital, which increases respect and dignity “people in the community can see that I am doing something serious”</td>
</tr>
<tr>
<td>Long-term asylum seekers (more than twelve months) and failed asylum seekers who appealed the decision</td>
<td>“There is no competition with other barbers. We recommend customers to each other. We also support each other when we are short of money or to fill documents. I do the job very traditional. People like because they feel like at home. […] It is very</td>
<td>Search for support “whenever I have any questions or have any problems, I will find support and advice easily”</td>
<td>Only informal work available. Hope of ensuing legalisation favours incubation of ideas “Community is where we</td>
<td>Locally present National community “the Kurdish community”</td>
<td>Economic Capital is transformed into Cultural Capital “I do the job very traditional. People like because they feel like at home”</td>
<td>Service the community even if it means to sacrifice profit. “There is no competition with other barbers. We recommend customers to each other”</td>
</tr>
</tbody>
</table>
important to have the support of the Kurdish community. People from my community are very supportive; I have built a very good, friendly relation, so whenever I have any questions or have any problems, I will find support and advice easily. Community is where we exchange ideas and knowledge, where we support each other to succeed" (Respondent K)

All people in the refugee community will help you with money if you have a business. Because you are doing something good and helping others. Many other people have informal businesses and help each other. [...] we work with formal businesses as well. They want us to do deliveries for them because we are cheap. In this situation, they pay us little money. We are happy to do this because it shows that we are grateful and that we can do good things. [...] All the refugee communities are

Search for recognition “We are happy to do this because it shows that we are grateful and that we can do good things”

Formal work and enterprise is available “All people in the refugee community will help you with money if you have a business”

Lack of certifications and/or fear of revealing the previous informal activities can limit personal legal exposure

City-wide “Other people of the community I met [at a local NGO] has [sic] also been very important to give me skills to speak to other businesses” (the local NGO is based across the city)

Entire Migrant Community “All people in the refugee community”

Economic Capital “We work with formal businesses as well. They want us to do deliveries for them because we are cheap. In this situation, they pay us little money. We are happy to do this because it shows that we are grateful and that we can do good things

Extend collaborations “A member of the community that had a delivery business supported me when [something happened]. He taught me how to organise the deliveries and how to calculate prices and buy fuel”

Table II.

<table>
<thead>
<tr>
<th>Group</th>
<th>Social embeddedness</th>
<th>Economic embeddedness</th>
<th>Geographic understanding of community</th>
<th>Relational understanding of community</th>
<th>Transformation of capital</th>
<th>Forms of enterprising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum seekers who achieved status in the last six months</td>
<td>Search for recognition “We are happy to do this because it shows that we are grateful and that we can do good things”</td>
<td>Formal work and enterprise is available “All people in the refugee community will help you with money if you have a business”</td>
<td>City-wide “Other people of the community I met [at a local NGO] has [sic] also been very important to give me skills to speak to other businesses” (the local NGO is based across the city)</td>
<td>Entire Migrant Community “All people in the refugee community”</td>
<td>Economic Capital “We work with formal businesses as well. They want us to do deliveries for them because we are cheap. In this situation, they pay us little money. We are happy to do this because it shows that we are grateful and that we can do good things</td>
<td>Extend collaborations “A member of the community that had a delivery business supported me when [something happened]. He taught me how to organise the deliveries and how to calculate prices and buy fuel”</td>
</tr>
</tbody>
</table>

(continued)
also very supportive. They will give you money if you need it for your business. People in the community give you advice to do the business better. You can always speak to somebody to help. You can speak to [a local NGO]. The community is very important especially in giving you knowledge and advice. A member of the community that had a delivery business supported me when [something happened]. He taught me how to organise the deliveries and how to calculate prices and buy fuel. Other people of the community I met [at a local NGO] has (sic) also been very important to give me skills to speak to other businesses. The competition is not very important in my community. Even if another asylum seeker does your same business, they all help each other. If I there is a new refugee, we help him in learning the job and in getting money. (Respondent P)
<table>
<thead>
<tr>
<th>Group</th>
<th>Social embeddedness</th>
<th>Economic embeddedness</th>
<th>Geographic understanding of community</th>
<th>Relational understanding of community</th>
<th>Transformation of capital</th>
<th>Forms of enterprising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum seekers that achieved status for longer than one year</td>
<td>“I found it very difficult to receive help and training. This is why I like having asylum seekers and refugees at the shop. They cannot work because they have no status, but they need to be shown the way. Nobody supports them with their skills. The local community helps them with money and... you know [...] food and stuff. [...] I take time to show them how to sort PCs and phone. It is not a problem for me to stay until night. It's a good thing for them. They learn and then they can do their own things when they get status”</td>
<td>Search for affiliation “they need to be shown the way”</td>
<td>Opportunity to introduce other services in the offer. “they need to be shown the way. Nobody supports them with their skills”</td>
<td>Spatially identifiable with the neighbourhood “The local community helps them with money and... you know [...] food and stuff”</td>
<td>The neighbourhood “the local community”</td>
<td>Investment “I take time to show them how to sort PCs and phone”</td>
</tr>
</tbody>
</table>
example of how coding structures were created and associated to existing and emerging theoretical aspects. The ongoing data gathering ensured that new coding structures were included in subsequent coding stages to explain emerging themes. The next section presents the analysis of the data and discusses the findings.

**Analysis and findings**

The data analysis involved five rounds. The first and second round observed the relations with social networks (Engelen, 2001) and market opportunities (Ram and Jones, 2008), respectively. A recursive hermeneutic process guided the iterative readings of the data and of the related theory to ensure the process did not exclude any relevant concept (Drakopoulou-Dodd *et al.*, 2018). The progressive emergence of discourses of community and value-creation invited the research team to go back to the literature to explore these notions and incorporate them to frame the analysis. The third and fourth round of analysis hence explored the geographical and relational aspects of community, respectively (Gusfield, 1975). Bourdieu’s (1986, 1989) notions of capital proved useful to interpret what guided the migrants’ entrepreneurial choices in the final step of the analysis.

The first step of the analysis explored how the migrant entrepreneurs made sense of their social embeddedness. To this end, the analysis focussed not only on the type of social ties, but also on the social structures and how they could support or constrain individual choices and goal seeking (Granovetter, 1985). Following Engelen’s (2001) definition of social embeddedness, the analysis looked at how these individuals attribute expectations outside of the economic sphere to other members of the social group. Table II shows how the accounts highlighted different motivations, expectations and attitudes towards the self-identified social networks. Interestingly, the word community migrants associated motivations and expectations highlighting the sense of belonging and identity to these social networks. Similarly, the word community emerged when migrant talked about their economic embeddedness. This was in part expected as the literature widely discussed the reliance on community in identifying market opportunities (Masurel *et al.*, 2002). The analysis also evidenced how the migrants associated various discourses of value creation to both economic and social embeddedness. The example in Table II for the long resident asylum seekers shows how they associated to the available opportunities not only a chance to make money, but also an occasion to develop knowledge and ideas. Previous studies highlighted how informal activities can incubate future formal businesses (Williams and Martinez, 2014). This research also illustrates how migrants interpret market structures not only in terms of economic opportunities or limitations, but also in terms of other forms of value creation (Bourdieu, 1986, 1989). Figure 1 depicts the emerging framework used to complete the analysis. The framework exhibits how migrant entrepreneurs interpret mixed-embeddedness using understandings of community and discourses of capital transformation to make sense of the interplays between their relations, motivations and expectations in social networks and the market opportunities that the economic and political embeddedness offers them.

The analysis reported below and in Table II highlights how the dynamics through which migrants make sense of their mixed-embeddedness differ between the different groups within the sample. The four groups rely on distinct conceptualisations of community and value-creation to produce unique interpretations of mixed-embeddedness.

**Mixed-embeddedness as obligation**

Early arrival asylum seekers have only informal work available. In the host city, they might know few trusted people. They might struggle to understand the language yet have limited or no opportunities to study it. The socio-economic context is one of structural marginalisation as they
are legally prevented to work, study, and volunteer. This means that any faux pas can incur into high personal and social costs. They might be detained, forcibly removed, lose the investment of the journey. Ultimately, they feel they will fail to meet the expectations of close ones back at home. Migrants mobilise few trustworthy social networks, normally formed of family or clan members. In the accounts, these contacts often take the face of “cousins” (especially for interviewees from Middle Eastern cultures); “brothers” (especially for interviewees of African origins); or simply “friends of friends”. In these clan-like relationships, they anticipate their honourability to increase when their actions reflect an attempt to meet obligations towards their inner circle of social connections. Quotes like the following significantly pepper the accounts, highlighting a widespread sense of obligation:

We do what we have to do (Respondent D).

The family wants to know that I make it ok (Respondent F).

The identification of any spatial dimension of community is mostly absent in the stories of these nascent migrant entrepreneurs. When they appear, it is only to indicate locations of their journey. In setting up their activities, they rally contacts to support their activities both in the host country and in the sending society. Community is both here and “at home”:

You cannot be fussy […] you must do something […] everybody in the community looks at you. They ask in every phone call what you are doing (Respondent C).

Everybody in the community thinks you will do fine […] every time [we are] on the phone they ask if I’m ok […] Everybody [in the community] helps you if there is no money (Respondent D).

Migrants in the initial settling period associate the word community to social ties revolving around systems of obligations. These include whoever they feel ought to support them in the new social context and the ones they perceive to owe an unmet obligation. At this stage, trust is crucial.

Making sense of their mixed-embeddedness as a system of obligations shapes expectations towards the social ties at home and in the host country and pushes them to accept any available enterprising activities. Obligation invites individuals to set in train
actions aimed at demonstrating their role in this clan-like community. Migrants hence accumulate social capital by meeting the anticipated expectations of their social networks:

If you are without a job everybody in the community helps you to find something [...] and you take it (Respondent A).

We are expected to do any job. We cannot choose if we have no status [...] (Respondent B).

At this stage, the opportunities that enterprising activities pursue are relevant only if they guarantee dignity in the eyes of their community as a tightknit group of family and friends. These opportunities can be indifferently either paid work or independent enterprises and migrants switch often rapidly and seamlessly between the two. The following excerpt echoes the one presented in Table II and exemplifies this recursive journey between paid jobs and informal enterprising:

I was working in the field, you know, picking beans [...] it is very hard work [...] and humiliating. I tell you. Then with [my cousin] we put some money aside and bought some boxes of vegetables and fruit and we went to sell them to the houses. You know, there are a lot of ladies around who cannot go to the market [...] after few weeks, we both went to work with [my cousin’s] cousin helping him with the deliveries (Respondent B).

A tension to act characterises enterprising, with minimal perceptions of enterprising risk. The main aim of enterprising activities is “doing something” as a way to honour a widespread sense of obligations. Arbitrage, bricolage, and bootstrapping are therefore common activities to accrue economic capital and transform it into social capital.

Mixed-embeddedness as systems of acceptance
Long-term asylum seekers (i.e. those who have been waiting for a decision for more than 12 months) and failed asylum seekers who appealed the decision are more likely to face destitution and often rely on NGOs and charitable organisations for support (Blinder, 2018). Key informants in a local NGO in Nottingham confirmed how cultural and religious festivals, language and shared experiences bring them close to the local diaspora. In terms of social embeddedness, they experience a widespread expectation to be helped by compatriots and manifest a tendency to comply with cultural norms so to be accepted in an identifiable social group. In terms of economic embeddedness, the local diaspora opens an easily accessible market outlet (Ram and Jones, 2008); provides efficient sources of finance (Smallbone et al., 2003); and selects trustworthy human resources (Ram et al., 2007). Community includes people and locations that support their acceptance in the local diaspora. From a social perspective they are at risk of being deported at any given moment if their application is refused or their appeal is not upheld. The key informants confirmed that individuals in this group are therefore very distrustful of others outside the same cultural circle. They engage with social networks constituted mainly by groups of compatriots living in the host country. These include people from different social and class background, tied together by the shared destiny of being fellow countrymen/women in a foreign country. At this stage, recognition of cultural similitudes is crucial in order to achieve social acceptance (Portes, 1997). In their accounts, migrants refer to community as the web of social networks that facilitates their acceptance in a culturally similar group. Spatially, the community is identified as revolving around places such as community and religious centres:

Everybody [in the community] help[s]. You go to mosque, you can know other people from Sudan and help each other (Respondent H).

You work hard [and] everybody sees that you are not here to steal [...] that you can do something to help the other Kurds (Respondent G).
These migrant entrepreneur realise the relevance of cultural capital as a currency for improving one’s status in the wider social networks of the diaspora. Enterprising activities emerge as an opportunity to be at the service of locally based compatriots (Fadahunsi et al., 2000). Enterprising activities hence focus around specific culturally relevant services for other migrants in the diaspora. These services often crystallise in precise forms and attract specific investments. They can take forms that recall the ones in the home country.

Marginalised migrant entrepreneurs continue to operate in the shades of the informal economy. Nevertheless, they promote rudimentary forms of advertisement, establish branding and visibly engage in self-promotion in the social places of the diaspora (e.g. churches, mosques, community centres). Enterprising emerge as a series of exchanges that guarantees mutual support. Marginalised migrants use their enterprising activities to transform economic capital into cultural capital and, in turn, trade it for acceptance in the diasporic local networks. Respondent K (a barber, running his business in the back office of a legal barber-shop) exemplifies the understanding of mixed embeddedness as system of acceptance:

There is no competition with other barbers. We recommend customers to each other. We also support each other when we are short of money or to fill documents. I do the job very traditional. People like because they feel like at home. [...] It is very important to have the support of the Kurdish community. People from my community are very supportive; I have built a very good, friendly relation, so whenever I have any questions or have any problems, I will find support and advice easily. Community is where we exchange ideas and knowledge, where we support each other to succeed (Respondent K).

In this perspective, the essence of enterprising is servicing the cultural needs of the community. Even if at times this means sacrificing profit. In the quote above, Respondent K seems to be using a rhetorical device in saying that “there is no competition with other barbers”. Especially when considering a sector where migrant enterprising is renowned for cut-throat price strategies (Engelen, 2001). However, personal visits to the establishments confirmed how this group used these strategies against other competitors but not towards the group they wanted to be accepted from.

Mixed-embeddedness as a system of legitimisation
Asylum seekers who achieved status in the last six months face different market structures. They can now legally start a business or make their enterprise emerge from the informal economy. Nevertheless, the evidence collected showed how some businesses still remain in the shadow economy. This might occur if the enterprise requires a license to operate (e.g. certified translations) or if there is the worry about revealing previous informal operations. It is hence common to observe the entrepreneur using a proxy for making the business visible.

The motivations and the expectations of social embeddedness revolve around legitimising their role. Key informants in the NGOs confirmed how these migrants are now more likely to donate time and resources to support other migrants. A wider social presence of marginalised migrants pairs with a more visible presence of their enterprising activities, for example with sponsorships. The social network extend from the compatriots to the wider migrant community. Migrant entrepreneurs extend social exchanges to public meetings, events and ceremonies. They use these activities as marketing tools to promote their ventures within the wider migrant networks. This is especially useful to recruit other marginalised migrants looking for work. Such commitments definitely contribute to increase their legitimisation before social networks of different migrant groups.

From a relational point of view, community becomes the wider migrant network. This includes stakeholders such as other migrant communities, other migrant businesses and NGOs. From a geographical perspective, the community is now interpreted as based all around the city.
Enterprising migrants now accrue and trade economic capital to activate social networks that include both economically relevant actors (e.g. other local businesses) and societal facilitators (e.g. NGOs). Marginalised migrants entrepreneurs use their accumulated economic capital to invest in the collaborative aspects of their enterprises such as supply-chain relationships, informal lending, access to human resources, and sharing of available resources.

Respondent R runs an informal catering service, supplying other local catering businesses run by migrants. She often volunteers with local NGOs:

I cook for everyone, Congo, Kurds, Sudani [...] many help to get vegetables where they work, with good money, we all help each other [in the migrant community] (Respondent R).

When a local NGO organised a series of music events to promote ethnic music, Respondent Q, who runs music recording and videos for ceremonies using a cousin as a proxy, found an opportunity to increase his economic capital and reputation:

For the music project, I helped everybody in the [migrant] community. [...] you get always ask somebody to help if you need an instrument [...] many people call me for parties (Respondent Q).

The reciprocal nature of such collaborative approach allows enterprising migrants to convert economic capital into reputational capital so to increase their exposure to wider migrant social networks. Collaboration-driven enterprising activities become more visible. This is a crucial moment for businesses that started as informal ventures. Respondent P runs a food delivery business:

All people in the refugee community will help you with money if you have a business. Because you are doing something good and helping others. Many other people have informal businesses and help each other. [...] we work with formal businesses as well. They want us to do deliveries for them because we are cheap. In this situation, they pay us little money. We are happy to do this because it shows that we are grateful and that we can do good things. [...] All the refugee communities are also very supportive. They will give you money if you need it for your business. People in the community give you advice to do the business better. You can always speak to somebody to help. You can speak to [a local NGO]. The community is very important especially in giving you knowledge and advice. A member of the community that had a delivery business supported me when [something happened]. He taught me how to organise the deliveries and how to calculate prices and buy fuel. Other people of the community I met [at a local NGO] has (sic) also been very important to give me skills to speak to other businesses. The competition is not very important in my community. Even if another asylum seeker does your same business, they all help each other. If I there is a new refugee, we help him in learning the job and in getting money (Respondent P).

In his account, he presents a wider understanding of community to include “all people in the refugee community”. From a relational perspective, this community includes people who share the need and the desire for solidarity and mutual support. From a geographical perspective, this community lives in the spaces that a local NGO has across the city. The account highlights the importance of receiving recognition for good actions. This evidences how enterprising activities are interpreted as economic capital being transformed into reputational capital. Social networks and market opportunities emerge as occasions to legitimise personal status in society.

Mixed-embeddedness as systems of affiliations
The last group of migrant entrepreneurs included former asylum seekers that achieved refugee status for longer than one year.

As some of the structural barriers of marginalisation disappear, more market opportunities become available. The enterprising migrants can now focus on more value-added activities such as management. The enterprises hire more people and tend to transform into formal businesses. Nevertheless, in almost all businesses in the sample, the
research team observed that some aspects of the venture remain informal. Key informants supporting the research corroborated this view.

In terms of social embeddedness, the expectation is to give back to others, to provide mentorship and to invite affiliations to their newly achieved position. Community and value-creation again help make sense of their economic and social embeddedness. In terms of geographical understanding, community is now often identified with precise territorial demarcations. In the migrants’ stories, this normally encompasses the neighbourhood, with only marginal distinctions between its migrant and non-migrant components. The relational understanding of community focuses on the integration of all those stakeholders that recognise the prestige in their social role. They enact enterprising activities that allow them to accrue symbolic capital to nurture their position within the web of relationships they have now established in a specific local area. For example, entrepreneurs hire people from all ethnic backgrounds and they propose their enterprising activities as an opportunity for all local residents. Enterprising activities become a chance to gain prestige and recognition in the (local) social networks:

In neighbourhood 1, we know if somebody is doing business on the side. But if they are helping others is seen as a good thing (Respondent V).

We are a big community, here in neighbourhood 1. I also like to help younger people in the community. If I can, I give them a job that gives them dignity. Everybody appreciates that because these people don’t have other opportunities without status (Respondent Y).

British [people] accepted us and we know we have to do everything to thank them […] my door is open for everybody of the community (Respondent Z).

Finally, the identification of community with a particular place allows migrants to see it as a system of affiliations. This construction includes everybody that lives in the area, disregarding of their background, of their length of stay, of their ethnicity and of their migrant status.

A crucial element across the different stories in this sample is that several aspects of the business remain informal. In particular, almost all entrepreneurs use the business as a hub for mentoring new incoming asylum seekers in the city. This approach often takes the form of informal training centres within the business. After hours, respondent S runs a workshop where young asylum seekers tinker with old TVs and repair phones. He recalls that:

I found it very difficult to receive help and training. This is why I like having asylum seekers and refugees at the shop. They cannot work because they have no status, but they need to be shown the way. Nobody supports them with their skills. The local community helps them with money and […] you know […] food and stuff. […] I take time to show them how to sort PCs and phone. It is not a problem for me to stay until night. It’s a good thing for them. They learn and then they can do their own things when they get status.

Respondent T echoes: “I take time to show them how to sort PCs and phone. It is not a problem for me to stay until night. It’s a good thing for them, so they can start doing it for themselves”.

Similarly, two local barbers confirm the mentoring approach to enterprising activities in this stage:

[…] some people know already what to do, so they work in the shop. Some others have never done the job, so we teach them, and maybe, one day, they will work in the shop, teach to somebody else […] maybe have their own business in neighbourhood 1 (Respondent W).

In neighbourhood 2, there is a wide network and everybody is supportive. I let two young guys use my salon. They are refugees and cannot work. In the shop, I teach them how to cut hair and also how to run the business. So, then they can have theirs when they get status. They get some money to help their families, but they are happy because they do something for their future (Respondent U).
The research team probed entrepreneurs and key informants on this point as it signalled possible ethical issues in terms of work exploitation. This in fact seemed at a first glance a way to recruit cheap workforce. Nevertheless, personal observations and reports from the two key informants stressed the social power associated with this approach of enterprising:

Respondents S and T now have proper shops, but there is always a part of the business hidden on the side. This is where the new people work, so they learn how to do things (Informant 2).

They always have the door open to teach something to you (Informant 1).

Through investing time and resources in the training, these entrepreneurs transform economic capital into symbolic capital that they use to gain prestige and social recognition. The workshop becomes a symbol of a rite of passage, through which these established migrant entrepreneurs interpret their mixed-embeddedness.

Discussion

Mixed-embeddedness remains a key framework for understanding migrant entrepreneurship, especially in informal contexts. Being an interactionist approach, it links agency and structure in a meaningful way (Kloosterman, 2010). However, the concept remains fuzzy, difficult to operationalise and to verify empirically (Razin, 2002). Although it reconciles different levels of analysis of the migrant entrepreneurship phenomenon, it falls short in explaining the interpretative positions of migrant entrepreneurs. Mixed-embeddedness sees agents as reflexive actors who can to some extent inform their own choices (Kloosterman, 2010). Nevertheless, little research exists on ‘how’ these entrepreneurs enact their reflection.

This paper set out to explore how migrant entrepreneurs interpret mixed-embeddedness. It produced a theoretical contribution in the framework depicted in Figure 1. The framework provides a key to interpreting how migrant entrepreneurs make sense of mixed-embeddedness. It does so by considering their social and economic embeddedness as well as framing it using different understandings of community (Lumpkin et al., 2018) and processes of capital conversions (Bourdieu, 1986). The paper also generates an empirical contribution by using the framework to analyse under-researched social groups (i.e. asylum seekers with different legal statuses). Figure 2 illustrates how this can favour the identification of unique interpretations of mixed-embeddedness typical of specific groups.

The social networks and the market opportunities and structures in which agents are embedded are in a continuous status of flux. Different structural aspects contribute to make them change in time. The active reflection of agents emerges from their actions and accounts. For example, the paper considered the case of legal status as one of the possible drivers that leads to the redefinition of social and economic embeddedness. It is important to notice how the legal status is only one possible driver, yet easily identifiable.

The empirical analysis of the entrepreneurs’ stories evidenced how different possible configurations of mixed embeddedness might emerge. Figure 2 illustrates how entrepreneurs actively reflect in retelling their stories and in presenting their identity. The migrant entrepreneur takes centre stage as a reflexive actor, whilst the outer ring indicates their mixed-embeddedness.

In the first ring, in their stories and choices, the migrant entrepreneurs enact a reflection on the transformation of capital, in which they convert economic capital into other forms of power. In their accounts, these represent valuable currency in their social and economic networks. In the second ring, migrant entrepreneurs use geographical and relational understandings of community to portray their social networks (Gusfield, 1975).
The processes illustrated in the two rings underscore the construction of different interpretations of mixed-embeddedness. The latter are not normative indications, rather they are specific to the case structurally marginalised migrants analysed. Yet, they could offer a workable basis for operationalising mixed-embeddedness, especially for comparative studies across heterogeneous groups.

Two challenges emerging from the data are important to discuss. First, some of the entrepreneurs presents accounts that appear too positive for the context of marginalisation and informal enterprising in which they were collected. Migrant entrepreneurship research highlighted the often aggressive competitive strategies in informal enterprising (Engelen, 2001). For example, respondent K and respondent P underplay the importance of competition and almost dismiss its existence. Although personal visits to their establishments supported some of the claims, their statements appear more as rhetorical devices. Nevertheless, the aim of the analysis was not to reveal absolute truths, but to uncover the mechanisms through which these agents enact their reflection on social and economic embeddedness. A potential limitation on this approach is due to the fragmented nature of the interviews. Language barriers and fear of revealing sensitive information might also have shaped the accounts to emphasise positive spins on personal experiences and choices.

A second challenge to consider is that although often the process of asylum follows chronologically the different legal statuses considered, this process is not evolutionary. Migrant entrepreneurs can experience one or more of the configurations without necessarily moving onto a successive one. This distinguishes this approach from the "break-out" approach common in migrant entrepreneurship research (Waldinger et al., 1990; Engelen, 2001). The aim here is not to anticipate possible trajectories of migrant enterprises, but to understand how agents make sense of the underpinning transformations that shape their mixed-embeddedness and that, in turn, can offer insights on entrepreneurial choices.

The role of community and capital

Figure 2. The identification of unique interpretations of mixed-embeddedness
Implications for research and practice

In terms of implications for future research, the framework proposed in this paper can form the basis for allowing scholars to address empirically how migrant entrepreneurs reconcile their embeddedness in both social and economic contexts. In terms of designing new research, scholars can use the framework to focus on aspects other than ethnicity in investigating informal migrant enterprising. Furthermore, the framework justifies the investment in potential longitudinal studies that will allow researchers to better observe these transformations over time. Finally, future research could explore in detail each of the emerging forms of enterprising to investigate under-researched issues in informal migrant enterprising. For example, research on mentoring-based forms of enterprising might contribute to shed light to yet unearthed enterprising dynamics in terms of talent management in the context of the informal economy.

In terms of policy implications, the paper confirms that structural limitations to formal work for asylum seekers would not stop them from engaging in enterprising activities, albeit informally. Although structural limitations are in place to protect the country’s labour market dynamics, in their current form they mainly produce a shift in the type of activities asylum seekers engage when status changes. Government actions focussed on structural limitations to curb informal migrant enterprising. This only favours an interpretation of mixed-embeddedness that mainly produces disjointed forms of self-employment. As many informal migrant enterprises incubate future formal businesses (Williams and Martinez, 2014), there is an opportunity to orient the interpretation of mixed-embeddedness so to facilitate exchanges of innovative and disrupted ideas. The paper informs stakeholders of the migration process of how informal enterprising takes place and responds to the relationships that marginalised migrants develop with the community. This invites policy makers, local authorities and non-governmental organisations to consider revising the social networks marginalised migrants (can) interact with. Dedicated enterprising training, apprenticeship schemes for marginalised migrants as well as opportunities for social exchanges between migrant groups and between local networks might favour novel community interactions. This would, in turn, support the development of formal businesses and indeed accelerate the process of social integration of marginalised migrants.

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Varieties of context and informal entrepreneurship

Entrepreneurial activities of migrant youths in rural Ghana

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Abstract
Purpose – The purpose of this paper is to examine the multi-faceted contexts, which influence the motives, decisions and actions that underpin the mundane and lively entrepreneurial practice of migrant youth entrepreneurs (MYEs) within a developing economy context. Moreover, the paper explores the under-researched linkages between migration and informal entrepreneurship.

Design/methodology/approach – Inductive, qualitative field data from a migrant destination, the Ashanti Region in Ghana are analysed, comprising 15 interviews with MYEs who hail from 12 communities in the three Northern Regions of Ghana. The authors introduce a narrative-based approach, which has previously been under-employed within empirical studies of informal entrepreneurship.

Findings – The findings showcase the complex array of opportunities and challenges, which influence individual decisions to engage in informal entrepreneurship. The findings highlight the importance of not only economic rationales but also non-economic rationales for engaging in informal entrepreneurship. Such rationales emerge from the legitimation of informal practices, the social embeddedness of migrant youth within family and community networks and the precarious nature of informal entrepreneurship.

Originality/value – The fine-grained discussion of the findings contributes explicitly to theory by underscoring the diversity of informal entrepreneurship activities. Theoretically, the article demonstrates the need to look beyond narrow economic explanations for why individuals engage in informal entrepreneurship.

Taking a more holistic approach to explaining motivations for engaging in informal entrepreneurship, enables more nuanced understandings of the importance of non-economic rationales for individuals, located in specific contextual settings.

Keywords Context, Youth, Embeddedness, Migration, Sub-Saharan Africa, Informal entrepreneurship

Paper type Research paper

Introduction
There is a growing recognition of the need to explore the role that entrepreneurship can play in tackling the grand challenges faced around issues such as poverty, unemployment, corruption and ineffective institutions on the African continent (Atiase et al., 2018; Jones et al., 2018; Le Pere and Ikome, 2009; Murithi et al., 2019). This paper responds to this broad challenge as well as more specifically the Call for Papers on “Migration, Enterprise and Society” (Vershinina and Rodgers, 2017). This paper examines the cocktail of contextual factors, which can offer more nuanced explanatory power to understand how and why migrant youth engage in informal entrepreneurship within a developing economy setting.
entrepreneurs (MYEs) are defined as individuals, aged between 15 and 35 years old who have established and manage a business in a permanent geographical locality, which is different from their administrative region of birth.

Over recent years, research on informal entrepreneurship has grown, focusing on motivations, business performance and formalisation of such businesses (Thai and Turkina, 2014; Williams et al., 2017). However, there remains a need to look beyond depictions of formal entrepreneurship as the “norm” and informal entrepreneurship as representing the “dark and other” manifestation of entrepreneurial practice. Whilst some studies have explored the interplay of formal and informal institutional contexts (Webb et al., 2009; Williams, 2017) and the emergence of entrepreneurship within these contexts, there is a need to further explore the critical role of context (Welter, 2016), across diverse locations, including developing economies. Moreover, the lack of appreciation of the diversity of entrepreneurial activity beyond the narrow remits of formal entrepreneurial activity leads to a failure for readings of informal entrepreneurship to fully capture and incorporate the importance of non-economic rationales for individuals to engage in informal forms of entrepreneurial activity (Gibson-Graham, 2006).

Sub-Saharan Africa (SSA) represents one such location where MYEs are over-represented within the informal economy (Awumbila et al., 2014; Thorsen, 2013). Across SSA, the nature and character of informal entrepreneurship varies across countries and within countries (Fox and Sohnese, 2012). Within the literature on entrepreneurship, there exists an understanding that there are differences between old and young entrepreneurs, in terms of motivations and the challenges they face (Levesque and Minniti, 2006; Mallett and Wapshott, 2015). Within the SSA context, existing literature has focussed on differentiation regarding old and young entrepreneurs and their experiences and motivations (Gough and Langevag, 2016; Ismail, 2016; Langevag et al., 2012). However, in this paper, outlining the findings of a rich, qualitative study, we showcase the contextual heterogeneity about entrepreneurial practice in SSA amongst migrant youth. This paper draws on empirical data generated from qualitative interviews conducted among 15 MYEs (aged 19–35 years) who operated self-employed businesses in rural communities in the Atwima Nwabiagya District of the Ashanti Region, in the south of Ghana. By focusing specifically on the experiences of MYEs within the context of Ghana, this paper presents empirical findings, showcasing how the entrepreneurial activity is inherently influenced by an interplay of contextual factors. The core research question is:

RQ1. What is the role of contextual factors in influencing the decisions for migrant youth to engage in informal entrepreneurship in Ghana?

This paper is structured as follows. The following section provides a brief overview of theorisations on informal entrepreneurship a review of extant literature on the manifestations and role of context within entrepreneurship studies and the engagement of migrant youth in entrepreneurship. The methodological approach employed in this paper is outlined before the empirical findings are presented. The article concludes with a discussion of the findings and draws contributions.

Literture review
Informal entrepreneurship
Within the literature on “informal entrepreneurship”, there are four significant schools of theorisation. First, there has been an overwhelming tendency to view informal manifestations of entrepreneurship as purely negative, juxtaposed to the business activity within the formal sector being seen as representing progress and modernisation (Geertz, 1963). However, within this “residue” depiction of informal entrepreneurship has increasingly been delegitimised in the face of the enduring and growing nature of informal entrepreneurship worldwide.

Second, structuralist readings explain the existence of informal entrepreneurship resulting from processes of de-regulation across the global economy that has led to the
increase in de-skilling and degrading of work (Espenshade, 2004). Within this discourse, individuals engage in informal entrepreneurship out of necessity in order to survive (Amin et al., 2002). Unlike the residue thesis, structuralist accounts view informal entrepreneurship as a functioning part of contemporary forms of capitalism.

Third, the neo-liberal perspective views participation in informal entrepreneurship as a matter of choice, rather than necessity (de Soto, 2001). Faced with cumbersome, bureaucratic institutional constraints, individuals follow a rational economic strategy and spontaneously engage in informal entrepreneurship to avoid wasting time and cost registering their businesses formally.

Finally, moving away from capitalist-centric perspectives seeking to explain informal entrepreneurship as involving solely economically motivated activity (Gibson-Graham, 2006), post-structuralist readings incorporate the importance of alternative, non-capitalist economic practices (e.g. Jones et al., 2006; Snyder, 2004). Such a theorisation provides an opportunity for more local and regional approaches to studying informal entrepreneurship, in which context pays a critical role, rather than solely measuring economic performance (Williams and Windebank, 2001). This perspective de-centres the role of formal market activities and instead showcases the diversity of entrepreneurial practices, beyond those solely explained by rational economic motivations. The work of Gibson-Graham (2006) is particularly important as it offers a more holistic explanation of manifestations of informal entrepreneurship and underscores the importance of embeddedness in local contexts that facilitates such engagement. Of particular relevance to this study, such a perspective allows an appreciation that informal entrepreneurship can be conducted for reasons other than solely economic gain and includes assistance for relatives, friends and neighbours within a community.

Understanding context and embeddedness

Whilst context can facilitate and constrain the entrepreneurial actions of individuals (Zahra and Wright, 2011; Zahra et al., 2014), there remains a lack of understanding about the significance of “context” in entrepreneurship research. Johns (2006, p. 386) argues that context is a multi-faceted construct with “situational opportunities and constraints that affect the occurrence and meaning of organizational behaviour”, and its many faces encompass the social, economic, institutional, spatial and temporal-historical environments that influence entrepreneurial behaviours (Welter, 2011; Welter and Gartner, 2016).

The “embeddedness” perspective, developed by Polanyi (1944) and later refined by Granovetter (1985), argues that economic actions, such as entrepreneurship, are influenced not only by the atomised decisions of individuals but also by the given contexts in which such individuals operate. However, the understanding of nature, form and depth of entrepreneurs’ embeddedness in contexts is highly subjective and open to debate. As a consequence, it provides the opportunity for scholars to distinguish between “who” is embedded in “what” (Hess, 2004, p. 166).

Extant literature on entrepreneurial practices in the informal economy in developing economies such as SSA is scarce but growing (Eijdenberg, 2016; Eijdenberg et al., 2018). Within this nascent literature, there is a reliance on utilising western dichotomy of necessity-opportunity (Gurtoo and Williams, 2009; Williams, 2009) to explain the prevalence of informal entrepreneurship. However, in order to extend this literature, this paper widens the scope of understandings of informal entrepreneurship, beyond narrow depictions solely based on “economic” motivations by examining the hitherto under-researched group of MYEs. The various contexts are now explored in turn.

Varieties of context in SSA

The social context refers to the nature, depth and extent of relationships which entrepreneurs depend on to operate their businesses which are shaped by a diversity of elements and social actors (Uzzi, 1997). It embodies relationships that provide the resources and opportunities
entrepreneurs need which may not be easily accessible to other actors within their social networks (Dubini and Aldrich, 1991; Portes and Sensenbrenner, 1993). Within the context of SSA, relationships emanating from social networks lead to collective support and generate informal agreements (Langevang et al., 2016). However, despite the facilitating roles of social contexts towards informal entrepreneurship, the relationships formed can also constrain venture creation activities in the informal economy (Langevang et al., 2016; Thorsen, 2013).

The economic context embodies the economic environment which influences the entrepreneurial actions and processes of entrepreneurs (Rath et al., 2002). In SSA, the economic context is mired with poverty, income inequality and unemployment, which all act to constrain entrepreneurial activities (Amorós and Cristi, 2011). Within such a context, the emergence of informal forms of entrepreneurship is driven by survival strategies (Langevang and Gough, 2012). Specifically, for the young generation of entrepreneurs, their ability to develop a business venture is constrained by inter-generational poverty (Yankson and Owusu, 2016). However, studies have argued that entering into informal entrepreneurship becomes more attractive owing to the small levels of start-up capital required (Eijdenberg and Borner, 2017). Paradoxically, the ease of entry into engaging in forms of informal entrepreneurship means that competition is high in this business environment (Thorsen, 2013).

The institutional context relates to the environment that shapes the ability of individuals to develop and sustain entrepreneurial activity (Webb et al., 2009; Welter and Smallbone, 2011). Institutional contexts, understood as “the rules of the game” (North, 1990) can manifest themselves as formal and informal institutions (Williams, 2017). Formal institutions relate to the codified laws, regulations and policies that encourage business activity in the formal domain (Busenitz et al., 2000). Informal institutions relate to the shared practices, customs, values and norms of societies, which determine the collective understanding of the people on how economic and social activities should be undertaken (Williams, 2017).

Whilst formal and informal institutions could co-exist to influence entrepreneurial actions (Stephan et al., 2015), in developing economies across SSA, formal institutions are weak and inefficient (Mbaku, 2004) which negatively impacts on business performance (Zoogah et al., 2015). In such a context, many entrepreneurs depend on informal institutions to acquire resources and obtain contracts (Chironga et al., 2011).

The spatial context relates to the variations in economic, social and institutional contexts across different geographical locations, which affect decisions made towards entrepreneurship. Spatial context also embodies various resources in geographical locations, such as the emotional attachment to place, shared meanings and representation of place (Korsgaard et al., 2015; Müller and Korsgaard, 2018). Concerning migratory movements, youth in Africa consider their movement to new destinations (and the entrepreneurial activities associated with such movements) as rites of passage (Grant, 2012) towards generating social mobility. However, unfavourable economic and social constraints in destination locations can lead to less successful outcomes regarding how individual entrepreneurs accumulate resources to participate in informal entrepreneurship (Gough and Birch-Thomsen, 2016).

The temporal-historical context refers to how historical events within a given society as well as life courses of individuals over-time shape their decisions and actions towards entrepreneurship (Lippmann and Aldrich, 2016; Wadhwani and Jones, 2014). The temporal-historical context allows for the evaluation of controls that entrepreneurs have over their resources and their environment as they move through different times (Lippmann and Aldrich, 2016), accumulating experiences (Kim and Longest, 2014) and demonstrating their commitment to their business goals (Uy et al., 2015).

In summary, there exist multiplicity of contexts in which entrepreneurial individuals in SSA are embedded which influence their decisions towards entrepreneurship, particularly in the informal economy. In the next section, methodological considerations within this research study are discussed.
Methodology

The authors adopted an inductive qualitative methodology (Edmondson and McManus, 2007; Eisenhardt, 1989) and used narrative interviews within this study (Elliott, 2005). Such an approach offers space for “an in-depth study of a given phenomenon, mobilising creative ways of producing and analysing empirical data [...] (and is a useful tool) to describe, decode and advance the understanding of intertwined past, present or future eclectic data” (Hlady-Rispal and Jouison-Laffitte, 2014, p. 594). The narrative approach is gaining prominence in entrepreneurship research (Corner et al., 2017; Singh et al., 2015) and has the capacity to capture contextual richness (Hlady-Rispal and Jouison-Laffitte, 2014). Narratives transform the everyday experiences of entrepreneurs into meaningful stories such that they “neither accept nor reject ‘reality’. Instead, they seek to mould it, shape it and infuse it with meaning” (Gabriel, 2000, p. 41). Through the narratives of the MYEs, the authors were able to capture the chain of events, time periods and differential contexts that respondents navigated to establish their informal businesses and how such contextual experiences affected business decisions. The research site was Atwima Nwabiagya District in Ghana. Over recent years, Ghana’s economy has been growing steadily, showing signs of private sector development (Yankson and Owusu, 2016). However, regional differences exist between the relatively prosperous southern regions and the more impoverished northern regions (GSS, 2014). The study site is one of the 37 administrative districts located in the Ashanti Region (GSS, 2014). There exist internal migration processes whereby individuals from the poorest regions in Ghana migrate to the more prosperous regions, in search of work (Cooke et al., 2016).

Sampling process

In order to explore the outlined gap in existing research, the authors adopted a purposive sampling strategy (Pratt, 2009), which was combined with a convenience sampling technique. In total, 15 young individuals were accessed, aged between 19 and 25 years old, who represented migrants from 12 locations in Northern Ghana. Access to these respondents was set up by the lead author, who is a Ghanaian. The respondents were selected purposefully (Patton, 1990; Pratt, 2009) in specific ways. Initially, researcher received contact details of 18 beneficiaries of programmes of an entrepreneurship organisation within the district, which was used to identify the first group of potential participants. Of the 18 individuals, only nine consented to participate in the interviews. In order to expand our sample, we approached additional individuals by asking our nine participants to open up their pre-existing social networks. In doing so, three more respondents were gained. The remaining three respondents volunteered to participate from the local community.

Data collection

Semi-structured interview schedules were designed to obtain detailed narratives regarding the migration pathways and experiences of developing entrepreneurial activities. The data were generated in the field between July 2017 and October 2017. Each interview lasted between 45 and 90 min and was conducted in the Dagbani or Akan languages, depending on the preference of the respondent. Each narrative took an individual course in which the respondent talked about their life journeys, from childhood to becoming an entrepreneur, including their migration experiences in Ghana. Each narrative also touched upon the role of education and skill development for the respondents and the role of families and communities in enabling or constraining their business activities. Furthermore, respondents spoke about their engagement with formal training programmes and funding from a variety of sources. These interviews were recorded. The interviews were transcribed, resulting in 142 pages of single-spaced generated data. The conversational nature of the interviews provided an in-depth knowledge of contextual practices (Steyaert and Katz, 2004) and a
general understanding of how business is understood and conducted for each respondent in their respective research sites (Steyaert and Bouwen, 1997). Table I provides background information, type of business and source of capital for the respondents.

**Data analysis**

Following Larty and Hamilton (2011)'s work on the narrative analytical approach, the authors adopted a three-step procedure to ensure that the data analysis was reliable, consistent and enabled data replicability, minimising distortion and subjectivity in the data analysis process. First, researchers constructed chronologies of each respondent reflexive account of past and present work and enterprise practices to identify common elements (Creswell, 2007; Elliott, 2005). From this, the authors developed a structural framework of how the stories of the MYEs were linked together: coding for the role of each respondent, key actors and structures in the micro-, meso- and macro-environments who influenced the respondents and the specific roles such actors and structures played in the lives and businesses of the respondents at different times. As evidenced in Table II, we have included a comprehensive outline of “proof and power” quotations (Pratt, 2009). Following our extensive review of the existing literature, the key dimensions of theoretical insight were highlighted in Table II through the use of this research method. In order to ensure further validity and to make sure no important insights were lost/ misinterpreted, we validated our framework through inter-coder reliability (Elliott, 2018).

Second, content analysis was carried out to identify salient themes and patterns that emerged from the data (Patton, 1987), examining the nature, form and depth of embeddedness of the MYEs individual and collective stories in the multiple contexts they navigated across time and space and how such contexts reinforced and constrained their decisions to operate enterprises in the informal economy. Third, the emergent themes and patterns were linked with key theories on informal entrepreneurship and youth migration and the contexts in which these activities take place.

**Findings**

This section presents the collective narratives, which emerged from the interviews undertaken with the respondents. The article showcases some of the key dimensions of contexts (Welter, 2011) across the social, economic, institutional, spatial and temporal-historical domains (Langevang et al., 2016). The data in this study reveal five key processes which underpin the engagement of youth migrants in Ghana in informal entrepreneurship. First, the social embeddedness of youth migrants is explored through enabling and constraining effects of social support and familial obligations, influence of peers and regional ethnic ties as well as the role of community in supporting youth entrepreneurs. Second, the embedded precariousness of informal entrepreneurship is revealed within this research setting through the persistence of informality in the work environment, the use of credit sales models, the prevalence of informal financing institutions and the persistence of informal waged employment alongside informal entrepreneurship amongst the respondents. Third, the prevalence of weak formal institutions (Filmer and Fox, 2014) was observed, which led to the emergence of strongly embedded informal institutions based on reciprocity-driven relationships with local communities, wide adoption of unregistered business practices, lack of opportunities in the formal labour market and lack of regulations which prioritises foreign made goods over local goods in general. Fourth, the data in this study shows a dramatic regional diversity in terms of opportunity structure in relation to the dispersion of customers in the north and concentration of customers in the south, seasonality of demand for work but nevertheless, easy access to cheap, informal labour and certain prestige with working in the south, which draws youth migrants to this location. Finally, the article exposed the historical legitimation of informal practices across a whole range of institutions and individuals, which has become normalised. Table II presents a set of illustrative quotes as well as the coding structure of the data.
<table>
<thead>
<tr>
<th>Coded name of respondent</th>
<th>Gender</th>
<th>Marital status</th>
<th>Age (years)</th>
<th>Education</th>
<th>Business type</th>
<th>Legal status</th>
<th>Years of operation in destination location</th>
<th>Number of workers employed by respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salamatu</td>
<td>Female</td>
<td>Married</td>
<td>26</td>
<td>No education</td>
<td>Seamstress</td>
<td>Not registered</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Sirina</td>
<td>Female</td>
<td>Married</td>
<td>29</td>
<td>No education</td>
<td>Seamstress</td>
<td>Not registered</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Sumaiya</td>
<td>Female</td>
<td>Married</td>
<td>26</td>
<td>No education</td>
<td>Seamstress</td>
<td>Not registered</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Amina</td>
<td>Female</td>
<td>Married</td>
<td>25</td>
<td>Senior High School</td>
<td>Local food joint</td>
<td>Not registered</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Dorcas</td>
<td>Female</td>
<td>Married</td>
<td>27</td>
<td>Junior High School</td>
<td>Local food joint (chop bar)</td>
<td>Not registered</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Esther</td>
<td>Female</td>
<td>Single</td>
<td>31</td>
<td>Junior High School</td>
<td>Hairdresser</td>
<td>Not registered</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Nimatu</td>
<td>Female</td>
<td>Married</td>
<td>23</td>
<td>No education</td>
<td>Trader (local rice distributor)</td>
<td>Not registered</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Rukayatu</td>
<td>Female</td>
<td>Single</td>
<td>27</td>
<td>Junior High School</td>
<td>Petty trader(local soap manufacturer and retailer)</td>
<td>Not registered</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Memunatu</td>
<td>Female</td>
<td>Single</td>
<td>25</td>
<td>No education</td>
<td>Petty trader(local soap manufacturer and retailer)</td>
<td>Not registered</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Faustina</td>
<td>Female</td>
<td>Married</td>
<td>32</td>
<td>No education</td>
<td>Local pottery manufacturer (wholesaler)</td>
<td>Not registered</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Seidu</td>
<td>Male</td>
<td>Consensual union</td>
<td>34</td>
<td>No education</td>
<td>Metal Fabricator/Welder/Blacksmith</td>
<td>Not registered</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Abdulai</td>
<td>Male</td>
<td>Single</td>
<td>19</td>
<td>No education</td>
<td>Metal Fabricator/Welder/Blacksmith</td>
<td>Not registered</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Yakubu</td>
<td>Male</td>
<td>Married</td>
<td>29</td>
<td>Junior High School</td>
<td>Mechanic</td>
<td>Not registered</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Moro</td>
<td>Male</td>
<td>Married</td>
<td>34</td>
<td>Junior High School</td>
<td>Drinking spot operator</td>
<td>Not registered</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Paul</td>
<td>Male</td>
<td>Single</td>
<td>22</td>
<td>Senior High School</td>
<td>Mobile money merchant/sale of recharge cards</td>
<td>Not registered</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Fieldwork (2017)
<table>
<thead>
<tr>
<th>Context</th>
<th>Illustrative quotes</th>
<th>Dimensions of context (upper level themes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social context</td>
<td>“The lady (supplier) who supply me maize on credit for two weeks was introduced to me by brother’s wife” (Dorcas)</td>
<td>Social support and obligations Social embeddedness</td>
</tr>
<tr>
<td></td>
<td>“[…] almost every three months I send money to my mother and elder sister in the village. It’s a burden to my business but I can’t look on for them starve to death?” (Yakubu)</td>
<td>Familial support and obligations</td>
</tr>
<tr>
<td></td>
<td>“I was influenced by my friend to learn the apprenticeship for this mechanic job. He said we couldn’t do the galamsey (illegal small-scale mining) and the jobs in people cocoa farms for the rest of our lives” (Seidu)</td>
<td>Peers and regional ethnic ties</td>
</tr>
<tr>
<td></td>
<td>One elderly woman in this community gave me this container (metal kiosk) to start my hair dressing salon. I didn’t have enough money to do a new one (Esther)</td>
<td>Community Support</td>
</tr>
<tr>
<td>Economic context</td>
<td>“When your master is away from the shop you can quickly do some jobs for one or two customers and use that money to take care of your personal expenses” (Esther)</td>
<td>Informal wage jobs Precariousness of Informal Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>“I worked in peoples’ cocoa farms and did galamsey job (illegal small-scale mining) for a year before I could raise enough money to start (the business)” (Yakubu)</td>
<td>Exposure to precarious informal work environment</td>
</tr>
<tr>
<td></td>
<td>“Some of the people come to tell me stories of their problems and I am forced to sell to them on credit” (Dorcas)</td>
<td>Credit Sales models adopted due to poverty</td>
</tr>
<tr>
<td></td>
<td>“We get a lot of jobs when it is funerals or Christmas. That is when the people here spend a lot of money” (Sirina)</td>
<td>Lack of Finance</td>
</tr>
<tr>
<td></td>
<td>“I prefer to save with the women group than these microfinance companies/rural banks” (Esther)</td>
<td>Informal Financing Institutions</td>
</tr>
<tr>
<td>Institutional context</td>
<td>“The government must do something to save our businesses. The imported goods are destroying us” (Nimatu)</td>
<td>Lack of regulations Weak formal institutions</td>
</tr>
<tr>
<td></td>
<td>“the way the system (structure of labour market) is you have to use a bad job (informal self-employment) to look for a better job (wage employment in formal sectors)” (Paul)</td>
<td>Lack of Jobs</td>
</tr>
<tr>
<td></td>
<td>“The tax people come here once a year to only those who have shops along the road. Some people do their businesses in their homes” (Esther)</td>
<td>Unregistered Businesses</td>
</tr>
<tr>
<td></td>
<td>“In my church, it is the attitude you show towards dues and other payments such as tithes that the church leaders look at to support you when you face some problem such as the death of your close relative” (Dorcas)</td>
<td>Reciprocity-driven relationships</td>
</tr>
<tr>
<td>Spatial context</td>
<td>“People are more concentrated over here even in rural communities and you can find more customers at one particular place” (Nimatu)</td>
<td>Dispersion and concentration of customers Regional diversity</td>
</tr>
</tbody>
</table>

Table II. (continued) Data coding structure
Social context

Respondents and their businesses were influenced by the complex intersection of familial and social relations they were connected to at the destination locations and to some extent their source communities, which provided to them the foundational enterprise opportunities, resources, skills and mentorship required to set up new businesses in the informal economy. As Dorcas illustrates, “The lady (supplier) who supply me maize on credit for two weeks was introduced to me by brother’s wife”. Similarly, Yakubu recounts the familial obligations: “Almost every three months I send money to my mother and elder sister in the village. it’s a burden to my business but I can’t look on for them starve to death?” Moreover, there were expectations from friends and community members, which forced respondents to offer discounted pricing and credit sales to them, thereby reducing their profit margins. Thus, while the emergence of informal entrepreneurship among the respondents was heavily dependent on the ties they were part of, the expectations and demands from such ties simultaneously constrained the businesses of such entrepreneurs.

Beyond the family and kinship ties, a lot of learning from peers and individuals from similar regional, ethnic backgrounds was observed. As Seidu explains, “I was influenced by my friend to learn the apprenticeship for this mechanic job”. Similarly, Esther receives assistance from her community: “One elderly woman in this community gave me this container (metal kiosk) to start my hair dressing salon. I didn’t have enough money to do a new one”. As such, the

<table>
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<tbody>
<tr>
<td>Social context</td>
<td>“In the north, there is little money during the long off-farming season. You won’t get a lot of work to do compared to this place” (Yakubu)</td>
<td>Seasonal work demands between North and South</td>
</tr>
<tr>
<td></td>
<td>“Anytime I go home there is a ready supply of youth willing and looking to travel to work informally. On each trip, I take one or two youths who want to come and learn the job” (Seidu)</td>
<td>Easy access to cheap labour</td>
</tr>
<tr>
<td></td>
<td>“Once you are working here (southern Ghana) our people back home don’t really care the (informal) work you do. They give us a lot of respect anytime we go home” (Yakubu)</td>
<td>Prestige and independence associated with destination location</td>
</tr>
<tr>
<td>Temporal-historical context</td>
<td>“During Christmas we work long hours to make up for the lost sales in the lean seasons of the year” (Dorcas)</td>
<td>Being in control of business in turbulent times</td>
</tr>
<tr>
<td></td>
<td>“For years, everyone in my family has moved to the south and worked informally. This is normal for us” (Nimatu)</td>
<td>Perceived acceptance of informal work practices</td>
</tr>
<tr>
<td></td>
<td>“I’ve seen my brothers struggle trying to work formally here. The tables turn for them when they move into big cities like their relatives have always done and start working informally for themselves” (Esther)</td>
<td>Reproduction of migrant pathways of previous family generations</td>
</tr>
<tr>
<td></td>
<td>“For the many years I worked with by elder sister to operate her waakyeye (rice and beans) business there was nothing like registering her business” (Amina)</td>
<td>Historical legitimacy of informality</td>
</tr>
</tbody>
</table>

Table II.
importance of the social embeddedness of youth migrants beyond their social and familial networks to wider peer and community support needs to be recognised in assisting them to set up and run their informal entrepreneurial ventures.

**Economic context**
The findings in this paper also revealed the critical importance of the economic context (Langevang and Gough, 2012), which relates to the economic opportunities and constraints that prevail in the micro-, meso- and macro-environment which affected the enterprise practices and motives of the respondents. For many of the respondents, they found an economic environment in the destination locations where there was a normalisation of engagement in informal work. As Esther states, “When your master is away from the shop you can quickly do some jobs for one or two customers and use that money to take care of your personal expenses”. Moreover, whilst engagement in informal work was considered a “norm”, several respondents were clearly exposed to precarious informal work environments. As Yakubu states, “I worked in peoples’ cocoa farms and did galamsey job (illegal small-scale mining) for a year before I could raise enough money to start (the business)”. Moreover, within the wider economic context of enduring poverty, the respondents were faced with low and seasonal demand for their products and services. Sirina notes, “You can sit here the whole day and no one (customer) will bring a cloth for you to sew […] We (usually) get a lot of jobs when it is funerals or Christmas. That is when the people here spend a lot of money”. For these entrepreneurial individuals who operated their businesses in such resource-constrained environments, the survival and profitability of their businesses depended largely on developed innovative sales models that involves selling products and services on credit to customers with closer seller-client business relationships. As Dorcas states, “Some of the people (customers) come to tell me stories of their (business) problems and I am forced to sell to them on credit”. Also, the lack of opportunities to engage with formal finance institutions led increasingly to respondents turning to informal financing institutions in order to raise the much-needed economic capital for their informal entrepreneurial activities. As Esther states, “I prefer to save with the women group than these microfinance companies/rural banks”. In sum, such findings reveal how within a severely resource-constrained environment, the authors find the embedded precariousness of manifestations of informal entrepreneurship.

**Institutional context**
Within the research context of this study region, the prevalence of formal institutions, which were either not working efficiently or absent, was clear (Ismail, 2016). In particular, respondents complained about the lack of government regulations to support enterprise development. As Nimatu states, “The government must do something to save our businesses. The imported goods are destroying us”. Such sentiments were commonly heard. Despite the existence of free compulsory basic education and the national apprenticeship programme in Ghana that is aimed at training the youths to undertake more formalised jobs (Palmer, 2009), respondents outlined how the lack of formal, government schemes to remedy structural problems in the labour market simply led to their continued engagement in informal employment. As Paul states, “The way the system (structure of labour market) is you have to use a bad job (informal self-employment) to look for a better job (wage employment in formal sectors)”. In response to the lack of government support for formal business operations, individuals often shied away from the gaze of formal eyes and engaged in informal entrepreneurship, often not registering their businesses. As Esther states, “The tax people come here once a year to only those who have shops along the road. Some people do their businesses in their homes”. In such, an institutional environment in which the formal institutions are weak (Williams, 2017), the authors observed not only the growth and endurance of informal entrepreneurial activities but importantly, such activities were based on reciprocity-driven
Spatial context
Migratory process can be seen as determining factor in enabling the migrant youth entrepreneurs to engage in entrepreneurship. Regional diversity also played a role in the decisions of youth migrants to engage in informal entrepreneurial activities (Korsgaard et al., 2015). In contrast to the northern regions, respondents highlighted how in the southern regions, there was a concentration of potential customers, aiding the potential for informal entrepreneurial activity to prosper. As Nimatu states, “People are more concentrated over here even in rural communities and you can find more customers at one particular place”. Moreover, the seasonality of work was also a clear factor as outlined by Yakubu, “In the north, there is little money during the long off-farming season. You won’t get a lot of work to do compared to this place”.

As a result of such regional differences, respondents spoke about the easy access to cheap, informal labour in their northern homelands. As Seidu states, “Anytime I go home there is a ready supply of youth willing and looking to travel to work informally. On each trip, I take one or two youths who want to come and learn the job”. Finally, respondents spoke about how working in the southern regions had certain amounts of prestige associated with it. As Yakubu states, “Once you are working here (southern Ghana) our people back home don’t really care the informal work you do. They give us a lot of respect anytime we go home”. The respondents revealed that whilst most of them planned to stay in their destination locations permanently, they travelled to their source communities during major cultural festivals. For these informal entrepreneurs, they participated in such cultural events in their source communities and in doing so, were able to build social status and reputation among their friends and kins. As Yakubu states, “Participating you get to see the progress you have made in your life compared to your friends and it motivates you to come back here to work harder for the following year. During the festival you have to donate a lot of money to show everyone that you are successful in your business”. Such accounts demonstrate again that the respondents, through the engagement in informal entrepreneurship, were able to grasp not only economic opportunities but seek to improve their reputation within their home communities.

Temporal-historical context
The temporal-historical aspect of contextual embeddedness embodies the respondents’ different notions and experiences of temporality that were implicated in their narratives. From the data analysis, it was clear that the entrepreneurial processes of the respondents in the informal economy of destination locations fitted into the wider picture of the socio-cultural and historical practices of their parents, other relatives and forefathers from pre-colonial times, during the colonial era and in recent years (Lippmann and Aldrich, 2016). The individuals made a purposeful decision to engage in entrepreneurial activity in the informal economy having migrated to Southern Ghana to find work (Van Der Geest, 2010). In their narratives, the respondents were able to justify their rationale to operate a small informal businesses as not purely economic. As Esther explains, “I’ve seen my brothers struggle trying to work formally here. The tables turn for them when they move into big cities like their relatives have always done and start working informally for themselves”. In their narratives migrant youth entrepreneurs can be depicted as following the footsteps of influential actors in their lives that maintained the “long tradition” of northerners moving to southern part of the country to
engage in economic and enterprise activities in the informal economy. As Nimatu succinctly depicts, “For years, everyone in my family has moved to the south and worked informally. This is normal for us”. Being embedded in historical traditions of families and ethnicities related to migration and participation in informal entrepreneurship at popular rural destinations and personal experiences in their life courses had made them develop an implicit understanding of the economic, social and cultural values associated with informal entrepreneurship which had shaped their motives and enterprise practices. As Amina states, “For the many years I worked with by elder sister to operate her waakye (rice and beans) business there was nothing like registering her business”.

Across the respondents, the authors witnessed the historical legitimation of informal practices across a whole range of institutions and individuals, which has become normalised.

Discussion
In line with existing theorisations (Wadhwani and Jones, 2014; Welter, 2011; Welter and Gartner, 2016), this study has revealed that in rural destinations of an African country, MYEs were embedded in a web of social, economic, institutional, spatial and temporal-historical contexts which influenced their motivations towards engaging in informal forms of entrepreneurial activity (Langevang et al., 2012, 2016; Thorsen, 2013). The article’s research findings have demonstrated that faced with an unfavourable economic and regulatory environment where profits are marginal, and cost of operation and taxes are high (Langevang et al., 2016, pp. 88-89), entrepreneurial youths in SSA embed their business activities shallowly in formal institutional contexts in contrast to their rootedness in informal institutions (Ismail, 2016). Within an institutional environment in which formal institutions are either absent or not functioning efficiently to support entrepreneurial activity, this study underlines the importance of consideration of informal institutions in driving informal entrepreneurial activity.

The findings in this paper demonstrate that faced with the burden of failing formal institutions, manifested in regulatory inefficiencies and the associated bureaucracies, bribery and corruption (Filmer and Fox, 2014), youth entrepreneurs make use of relational ties with their home and new host communities to develop skills, accumulate resources and information to launch informal businesses. Moreover, the authors found that individuals were rooted in informal educational institutions located within household enterprises and smallholder agricultural activities. Similarly in the place of formal apprenticeship schemes (Palmer, 2009) which were absent, individuals engaged in “traditional” learning schemes, involving relatives, friends and community members which provided them an opportunity to acquire the skills and knowledge necessary to develop informal entrepreneurial businesses. As such, for these individuals, engaging in informal forms of entrepreneurial activity was not solely based around purely economic rationales. Instead, engagement in informal entrepreneurship gave these individuals added meaning and value to their life courses and added rootedness to their identities within their kin and friendship networks back home.

In particular, focusing on the under-researched context of the temporal-historical domain, this paper showcases how for youth entrepreneurs, engaging in forms of informal entrepreneurship enabled them to evoke the past actions and processes of their forefathers and maintain the longstanding tradition of northerners moving to the southern part of the country to engage in informal entrepreneurship. These actions as such provide an embedding legitimacy for the engagement in informal entrepreneurship and also highlight the recursive relationship between context and informal entrepreneurship. In doing so, these findings clearly elucidate the often ignored but critically important linkages between processes of migration and engagement in informal entrepreneurial activity. Moreover, the respondents demonstrated that engaging in informal entrepreneurship in the Southern Regions of Ghana provided them with prestige and improved social status within their
homelands, thus underscoring the importance of understanding the role of non-economic rationales for individuals engaging in informal forms of entrepreneurship.

This study has several theoretical implications. Whilst for decades, “formal” manifestations of entrepreneurial activity has been seen as the “norm”, this study seeks to build on attempts within the scholarly community to recognise the critical importance of the interplay of formal and informal institutional contexts (Webb et al., 2009; Williams, 2017). Within this nascent sub-stream of entrepreneurship literature, hitherto there has been a lack of empirical examination of differences regarding old and young entrepreneurs and also the interplay between processes of migration and processes of informal entrepreneurship. This paper has outlined the importance of taking into account the multi-faceted nature of context (Welter, 2011) and how it can constrain but also provide opportunity for new venture creation. By taking such a holistic view of the role of context, this study has highlighted the importance of moving away from attempts to understand informal entrepreneurship, based solely on economically motivated activity (Gibson-Graham, 2006). The findings have clearly demonstrated motivations for engaging in informal entrepreneurship which include reasons other than solely economic gain. By decentring the “economic” in regard to motivations, in this paper we illuminate the importance of non-economic factors such as assistance for relatives, friends and neighbours within a community as well as the gaining of prestige and reputation within friendship and kinship networks. By showcasing the varieties of context and their intersecting influence on decisions of MYEs in SSA to engage in informal entrepreneurship, this paper highlights how the diversity of entrepreneurial activities, undertaken by these youth entrepreneurs is inherently embedded in local contexts. As such, the results of this research study extend the possibilities for further empirical studies of informal entrepreneurship to include more local and regional approaches, which provide the opportunity for rationales for engaging in informal entrepreneurship to surface, beyond the narrow remits of formal, economic motivations.

Conclusions
Using findings generated from the empirical setting of migrant youth entrepreneurs operating in Ghana, this paper has sought to contribute to emerging debates around the role of entrepreneurship in tackling underlying problems across Africa (Jones et al., 2018). We showcase the heterogeneity of opportunities and challenges which influence the decision of youth migrant entrepreneurs to engage in forms of informal entrepreneurship. Critically, using the “varieties of context” (Welter and Gartner, 2016) perspective outlined in this paper enables the authors to surface the critical importance of non-economic rationales (Gibson-Graham, 2006), which emerge from the legitimation of informal practices, the social embeddedness of youth migrant within family and community networks and the precarious nature of informal entrepreneurship. To this end, the findings outlined in this research study clearly elucidate directions for future scholarly endeavour. First, there is a need for future academic work to examine to what extent do existing theories, seeking to explain the motivations to engage in informal entrepreneurship, take into account the importance of non-economic rationales. Second, within this paper, the authors focussed solely on one country, Ghana. Future research could seek to examine to what extent the patterns and motivations surfaced in this study replicate themselves across the Sub-Saharan regional context and more broadly across the African continent (Jones et al., 2018). Finally, this paper has demonstrated the continued importance of embedded kinship and family networks to enable and support informal entrepreneurial activity within the Ghanian context, offering a much-need empirical setting for the conceptual contribution around the role of family for entrepreneurial activity within SSA (Murithi et al., 2019). Future research could be extended to focus on the influence of extended family in facilitating migration within developing economy contexts.

There are some limitations to this study. The study is localised within a region in Ghana and involved a small number of youth migrant entrepreneurs. Further research needs to look
at other geographical areas. Whilst the views of the interviewees cannot be considered to be representative of all youth migrant entrepreneurs in Ghana, the value of this research lies in the rich contextual insights it provides relating to the nature of informal entrepreneurship within an developing economy context. However, more research amongst the nature of youth migrant entrepreneurship living in different contexts, including in urban spaces rather than rural locations is required. In this way, future studies can seek to capture the rationales of youth migrant entrepreneurs participating in informal entrepreneurial practices.

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Migrant youths in rural Ghana


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Transnational migrant entrepreneur characteristics and the transnational business nexus

The Colombian case

Sandra Milena Santamaria-Alvarez, Maria Angélica Sarmiento-González and Luis Carlos Arango-Vieira
Department of International Business, Universidad EAFIT, Medellin, Colombia

Abstract

Purpose – The purpose of this paper is to analyze the characteristics of Colombian migrants’ transnational businesses (TBs) and their operations. To this end, the characteristics of the entrepreneurs, their businesses and the patterns of their international operations are discussed and compared.

Design/methodology/approach – The paper analyses 14 cases developed from data from in-depth interviews with the same number of Colombian entrepreneurs who migrated to the USA. Similarly, the analysis includes secondary data sources.

Findings – TBs created by Colombian transnational entrepreneurs (TEs) aim to be successful through the best use of the resources of each market, allowing them to produce with lower costs and better quality in their country of origin while selling in more developed countries, such as the USA (their country of destination). The operations of those businesses are limited by their financial resources, small and fragmented networks, and their organic growth. The personal characteristics of the TE and their business comprise a nexus that helps to overcome business shortcomings.

Originality/value – The paper contributes to entrepreneurship, migration and international business literature by illuminating the nexus between the personal characteristics of the TE and the unique characteristics of their business, including the analysis of their international operations. Likewise, considering the characteristics of the context under study, the paper presents findings that are interesting for countries with similar social and economic difficulties.

Keywords Entrepreneurs, Immigrants, International entrepreneurship, Internationalization

Paper type Research paper

1. Introduction

Migrant transnational entrepreneurship (MTE) has become a topic of increasing academic interest among scholars from diverse disciplines (Riddle and Brinkerhoff, 2011; Patterson, 2006; Vertovec, 2001; Song et al., 2001) due to its potentially positive impact on both the country of origin (COO) and country of destination (COD). It is defined as the development of business connections within migrants’ COO and COD through which they exploit business opportunities between both contexts (Drori et al., 2009). These authors also describe MTE as a different kind of entrepreneurship, sometimes confused with Ethnic Entrepreneurship and International Entrepreneurship. Specifically, they argue that international entrepreneurship is the creation of new goods and services through the exploitation of opportunities across national borders. Ethnic entrepreneurship, meanwhile, is defined as the entrepreneurial activities held in the COD that are embedded in community networks within a characterized inter-community social and economic context. Though related, each of these terms defines diverse entrepreneurial activities with specific characteristics. Therefore, and thanks to the globalization process and its constituent development of technologies of transportation and
communication, those who migrate to other countries have the opportunity to keep connected to their COO through entrepreneurial transnational activities without the need of returning home (Drori et al., 2006).

Evidence has shown that migrants engaging in this activity, known as transnational entrepreneurs (TEs), and their transnational businesses (TBs), can support local development at home due to the unique characteristics provided by the dual environment in which they coexist (Bailey, 2001). Such potential is also interesting and important in light of the fact that these migrants may come from developing countries, wherein such positive effects are particularly noteworthy. For instance, Saxenian (2005) describes how TEs have the potential to sustain local development through the sharing of their knowledge of global markets, advanced technologies, home and host markets, cultural landscape of both nations and language. All these factors in conjunction can in turn generate business ideas and new entrepreneurship.

Despite its increasing interest to scholars, the majority of studies published regarding MTE analyze the individuals themselves (entrepreneurs) and their characteristics, not their businesses. Most scholarship refers to TEs from Asia, especially China and India, due to their great impact in their COO (Saxenian, 2005; Lin et al., 2008). Similarly, most studies on this issue highlight TEs’ strong and connected social networks, their lower aversion to risk and their locus of control and self-efficacy (Global Entrepreneurship Monitor (GEM) 2013; Drori et al., 2006; Riddle et al., 2010). Notwithstanding the general lack of studies about TB, according to the Global Entrepreneurship Monitor (GEM) (2013), these businesses tend to have a more international direction due to the networks, the knowledge of two or more environments, and the language skills TEs possess. Moreover, Boly et al. (2014) showed that TBs tend to outperform domestic firms as exporters. Nonetheless, there is a scarcity of research describing the businesses characteristics as well as other analyses on these companies’ operations. Similarly, there is a lack of analysis about how TEs make their business become really “transnational.”

Considering the aforementioned potential impact of migrants and their businesses for both their COO and COD, this paper aims to answer the following question:

**RQ1.** What are the characteristics of TEs and their TBs, how do these relate, and how do they engage in international operations?

To this end, the study will focus on firms created by TEs from a Latin American developing country, Colombia, who migrated to the USA during a prolonged period of social unrest and economic difficulty in the former country.

Colombia is a net exporter of people, for whom the main destination is the USA (Hung, 2011; Medina and Posso, 2009). According to various authors (Diaz, 2006; Garay and Rodriguez, 2005; Guarnizo, 2005), large-scale Colombian emigration is a rather recent phenomenon, beginning in the 1960s and followed by subsequent waves in the 1970s, 1980s and around the year 2000. Most Colombian emigrants live in the USA (35 percent), Spain (23 percent) and Venezuela (20 percent) (Cardenas et al., 2010). These migrants are a diverse group, both in terms of their regional and ethnic origins and their occupations and skillsets, including farmers, entrepreneurs, executives, investors and refugees (Garay and Rodriguez, 2005). Nevertheless, and although there is evidence about transnational relations among those Colombians abroad and those inside the national territory, there is a lack of strong and connected networks, limiting the formation of a transnational community (Guarnizo and Diaz, 1999). However, some of those migrants participate in MTE (Santamaria-Alvarez and Śliwa, 2016), creating strategic networks that allow them to overcome their challenging surroundings (Santamaria-Alvarez et al., 2017).

Besides being a developing country, Colombia is engaging in a transformation process, thanks to the peace agreement signed with the biggest guerrilla group in the country, the “Fuerzas Armadas Revolucionarias de Colombia” (Bustamante-Reyes, 2017). Hence, this is a key moment to analyze if Colombian TEs can become important agents for the
socio-economic development of the country, considering that their transnational engagement could provide support for the reconfiguration of the country (Nielsen and Riddle, 2009). Although Portes et al. (1999) discussed the low level of engagement of Colombian migrants in MTE, there is, again, evidence that some do engage in this activity (Santamaria-Alvarez and Śliwa, 2016).

To carry out this research, the authors utilize cases studies built upon in-depth interviews held within a heterogeneous group of Colombian TEs located in several cities in the USA (New York, Los Angeles, Sacramento, San Francisco, Chicago, Miami and Boston, among others). These migrants have different age ranges, come from diverse cities of origin, work in various industries and own different types of TBs. The objective of this approach was to gather as much information as possible to facilitate comparison and the identification of unique and common characteristics.

This paper will accordingly enrich our knowledge about the potential impacts such firms can create in the development of a country such as Colombia. As such, this research contributes to the TE, International Business and International Entrepreneurship literature.

The paper is structured as follows: following this introduction, we review the relevant literature in question; thereafter, we explain our methodology, and present our findings and discussion. Finally, we offer our final conclusions and references.

2. Literature review

Globalization, defined as the “The close integration of countries and peoples of the world” (Peng, 2013), allows people and companies to explore business opportunities across borders and for the creation of international entrepreneurial ventures. Globalization has been particularly important for international entrepreneurship, supporting its development and boosting its growth. Following Venkataraman (1997), entrepreneurship is defined as the creation of a new business, which usually requires an individual to actively engage in developing and managing the business. Eckhardt and Shane (2003) view entrepreneurship as the interaction between individuals and opportunities in the marketplace.

The concept of MTE is rather new in the literature of international business studies, especially when referring to groups of migrants that come from a specific COO who live and work in a COD but that maintain strong ties with their homeland (Sheffer, 2006a, b).

MTE is a field of study initially discussed by anthropologists and sociologists (Portes et al., 2002), and has become increasingly important in the field of international business. MTE is related with transnationalism, which is defined as the process by which migrants execute their daily activities between their COO and COD, linking their social, economic and political relations with that of their societies of origin by means of the creation of relations that go beyond borders (Basch et al., 1994). In line with Gillespie et al. (1999), migrants have a higher level of altruism when investing in their CO as compared to other investors.

MTE is also defined as the creation and development of businesses by an ethnic minority group residing in a host country that link the host country and their COO by means of economic transactions (Portes et al., 2002). In line with Ojo (2012), the process of MTE entails entrepreneurial activities that are conducted by individuals who are rooted in at least two different social and economic arenas. Furthermore, Lin et al. (2008) found that TEs conduct business beyond the boundaries of their ethnic environment and the COD.

Guarnizo (2003) also affirms that earlier migrants act as investors in current initiatives, who may be willing to establish a base for eventual resettlement in their COO and secure a steady income such as that from conventional investments. Such investors do not require higher education, and therefore, resort to COO opportunities due to a lack of upward mobility in their COD. Other reasons to engage in this kind of activity include: cultural and personal predispositions, a regulatory environment supportive of entrepreneurship, access to capital and a viable business idea (OECD, 2010).
Meanwhile, Light and Roach (1996) argue that a considerable share of TEs has created their own opportunities in the metropolitan market rather than crowding out the native population. In these so-called circuit firms, business resources such as capital, labor and inputs flow across borders and their maintenance depends on the linkages between the COO and the COD (Landolt et al., 1999). In such cases, circuit businesses resemble TB. Similarly, these TEs support the local development of their COO, especially through knowledge transfer and innovation (Saxenian, 2005).

Initially, research on MTE stressed the obstacles that an entrepreneur faces in order to cross borders and overcome different institutional obstacles (Portes et al., 2002). Nowadays, studies regarding TEs as individuals are more abundant. TEs are a particular kind of migrant who are considered social subjects who create networks, gather information and generate ideas. Thanks to this, they find business opportunities that enable them to maintain a dual business environment (Drori et al., 2009), while having a strong dependence on ethnic networks (Zhou, 2004).

Current research in this area has also diversified to cover topics ranging from innovation capacity (Lin, 2010), social capital (Katila and Wahlbeck, 2011), performance (Brzozowski et al., 2014), internationalization and entry mode strategies (Sui et al., 2015) and the value chain of TB (Lan and Zhu, 2014).

Thanks to their position, TEs are more likely to benefit from their knowledge of the local political, economic and cultural environment, as well as from their personal connections and linguistic abilities, thus giving them a “first mover” advantage over others when starting or investing in businesses in their COO (Leblang, 2009). With regard to how determinant networks are for the success of transnational entrepreneurial initiatives, Drori et al. (2009) and Ambrosini (2012) stress that international networks could represent an important role in the TBs’ success, having the potential to become a competitive advantage for them.

Those benefits can be achieved as a result of cross-border networks’ capacities to access crucial resources such as information, local knowledge, capital, market and technology (Chen and Tan, 2009). In addition, the degree of network embeddedness in the COO might affect the likelihood of success of a TB (Sequeira et al., 2009). Nonetheless, some immigrant groups seem to be more entrepreneurial than others: some cultures are more risk-taking than others, and some ethnic groups are more capable to effectively use the ethnic resources of their group (ethnic network and social capital) in the COD (Chand and Ghorbani, 2011; Koning and Verver, 2013). Likewise, individual characteristics can influence entrepreneurial objectives, behaviors and firms (Gruber and MacMillan, 2017).

Given the lack of theoretical development around TE studies (Glick and Levitt, 2006), Nkongolo-Bakenda and Chrysostome (2013) proposed a theoretical framework in which they point out the main determinants of MTE and the development potential of such activities for migrants’ countries of origin. According to the authors, the main factors that influence the creation and success of MTE are the institutional and socio-economic environment of the COO, which includes laws and regulations, economic conditions, specific policies of the national government toward its migrants, and entrepreneurial culture. A similar set of factors has been proposed by Newland and Tanaka (2010).

Chen and Tan (2009) propose a theoretical integrative approach to include networks in TE studies, using the concept of glocalized networks. These glocalized networks act as a link between the context (structure) and the individual characteristics affecting TE. According to the authors, these meso, macro and micro level components could better explain participation in TE. Similarly, Brzozowski et al. (2017), in describing a mixed embeddedness approach, highlight the important interaction played among those three components to promote TE activities. Due to their cultural background and links with their COO, the context in the COO and COD, and their networks, TEs are often more prepared to take risks or engage in high-risk business activities in emerging markets than non-transnational investors (Ramamurti, 2004).
On the other hand, the topic of TB in the existing literature has not been deeply explored. Most authors describe some characteristics of TEs, but not those of their firms, and the discussions are mainly centered on the importance of networks to the establishment of businesses (Basu and Virick, 2015; Mustafa and Chen, 2010). The advantages TEs receive from developing strong networks are the most mentioned topic for both ethnic and TEs. For instance, Basu and Virick (2015) emphasize the process of advice and the influence networks exercise over the entrepreneur, agreeing with Light et al. (1990).

Furthermore, Mustafa and Chen (2010) argue that market and country selection is influenced by the presence of family networks, which are essential to the facilitation of the internationalization process and the operation of the business. This is an important characteristic to consider when studying the international operations followed by TEs.

Similarly, financial capital could also be an important component in the study of TB. For instance, Morawska (2004) mentions the transference of financial capital from the COO to the COD in the case of Chinese TEs. According to the author, this transference, along with other characteristics of the TEs, could assure the success of the business in the COD even before the person has migrated. Moreover, some authors state that the capital for starting businesses comes mainly from informal sources such as personal savings, and funding from friends and family, as these entrepreneurs tend to avoid formal loans or borrowings (Sahin et al., 2011). Additionally, Mustafa and Chen (2010) emphasize how essential transnational social ties with family members are in order to receive resources and start operating a company.

Besides the important role of TEs and their companies for emerging markets (Riddle et al., 2010), it is also important to analyze how these businesses participate in the international market. TBs’ performance could be impacted by their international operations, which are the same time, could be influenced by TEs’ dual lives. For instance, it is not clear how their knowledge of two or more international environments could enhance or modify their internationalization processes as compared to those of other companies.

Although few studies analyze the internationalization path and performance of TEs’ firms, Sequeira et al. (2009) develop an approach designed to predict the type of businesses migrants are most likely to develop. The authors explain that the entrepreneur’s choice of transnational firm type is influenced by their attitudes and perceptions toward their COD. Additionally, they found that the embeddedness of TEs in the COO also plays an important role for determining both the type and the success of the firm. Moreover, Terjesen and Elam (2009) argue that international operations held by TEs businesses result from both the entrepreneur’s habitus and their use of capital in the different institutional environments in which they are involved. According to the authors, TEs use available resources to reach a competitive advantage in both arenas in which they develop their TB.

Nonetheless, even though Colombian migrants do not tend to have strong and connected networks (Guarnizo and Diaz, 1999), some still do engage in these kinds of activities (Santamaria-Alvarez et al., 2017). To do so, Colombian TEs develop strategic networks that allow them to overcome obstacles while providing some of the resources required to develop their TB. With this in mind, the current study particularly aims to analyze TB created by Colombian migrant TEs located in the USA, this being the largest international Colombian migrant community abroad. It seeks to identify the types and characteristics of TB created by Colombian TEs, including their international operations.

Colombian migration is rather recent, having occurred prominently in several during the 1960s, 1970s, 1980s and around the turn of the twenty-first century (Díaz, 2008; Garay and Rodríguez, 2005). The first migration movement in the 1960s was mostly motivated by external factors like US immigration law (1965 US Immigration Laws; Díaz, 2006), and internal factors such as high levels of violence and instability inside the country. Most of these migrants were middle class professionals looking for improved economic social mobility (Garay and Rodriguez, 2005).
In the middle of the 1970s, a second wave took place. This time, most emigrants went to Venezuela, motivated by the boom in the oil industry (Díaz, 2006). Later, in the 1980s, high levels of violence and unemployment, the deterioration of per capita income and drug-related activities motivated the third wave. During this period, most migrants went to the USA, Canada and Europe (Díaz, 2008; Garay and Rodríguez, 2005).

The largest migration movement took place at the end of the 1990s, fueled by a deep economic crisis, unprecedented levels of unemployment (around 20 percent), and the deterioration of living standards (Garay and Rodríguez, 2005). At this time, most of migrants went to Europe (especially Spain and England), and the USA (Garay and Rodríguez, 2005).

Most literature regarding Colombian migrants has studied their profile (Gaviria, 2004; Cardona Sosa and Medina, 2006; Cardenas et al., 2010), or remittances and their costs (Gaviria and Mejia, 2005; Cardona Sosa and Medina, 2006; Mejia Ochoa, 2006). A limited number of studies analyzed other transnational activities. Accordingly, current literature available about Colombian TEs is very scarce (Gaviria and Mejia, 2005; Cardenas and Mejia, 2006). Portes et al. (1999) argue that Colombians have a low level of participation in transnational entrepreneurship, and those who do so seem to be less connected and less established than other Colombian migrants, lending significant importance to the contextual conditions surrounding Colombian migrants and TEs, and contradicting previous assumptions. Nonetheless, as previously mentioned, some do engage in TB. Colombian TEs’ environments, their identity and personal characteristics and their fragmented networks indeed make this a fascinating case of analysis. This case is also of interest for countries with similar socio-economic difficulties, affected by violence, guerrilla groups and/or illegal drug-related activities which drive people to migrate. Therefore, this paper analyses TB created by those entrepreneurs while paying close attention to the special features that surround them and their businesses.

Consequently, this paper aims to provide information and evidence of the types of businesses created by Colombian TEs in the USA in such way that contributes to migration, international entrepreneurship and international business literature while motivating further studies by governmental and other institutions. Likewise, this paper should serve as reference for the creation of official initiatives to promote, encourage and facilitate the activities performed by Colombian TEs and other migrants from developing countries and countries with similar contexts to that of Colombia.

3. Methodology

With the aim of obtaining a deep understanding of TEs, their companies and their internationalization operations, this research uses a qualitative approach, examining the cases of 14 Colombian TEs from various places in the USA (Birkinshaw et al., 2011; Welch et al., 2010; Yin, 1989). Considering that most Colombian TEs have weak networks, distinctive environmental surroundings, and specific individual characteristics and behaviors, multiple case studies are the best approach to obtain insightful information for research (Henry and Foss, 2015). The cases were selected following a purposeful snowball sampling technique to the saturation point, and with multiple points of origin to provide more diversity (Atkinson and Flint, 2001).

The use of multiple case studies allows the researcher to gain a deep understanding of this complex phenomenon, considering the unique characteristics within each case, and the activities that relate to them, while providing a multi-tiered platform for further theory building (Eisenhardt and Graebner, 2007). As such, the emphasis is on understanding the particular phenomena in question, rather than generalizing from the research findings (Ghauri, 2004). Similarly, using multiple case studies allows us to consider “why” and “how” questions, diverse disciplinary approaches, the unique conditions and contexts under study, multiple variables, non-typical cases (Yin, 2003), while also obtaining unperceptive and
fertile data that might not be obtained by other methods (Henry and Foss, 2015). Nonetheless, this method does not allow for generalizations, since the findings might be unique to the cases studied. Another limitation with this method is the amount of data collected, which might limit the analysis and the representation of the findings (Hodkinson and Hodkinson, 2001).

Using case studies, and thanks to the use of social media, migrants’ associations, entrepreneurial organizations, personal and business contacts, 14 cases were built. To collect the data, the authors used in-depth interviews with open-ended questions, following Kallio et al. (2016). This reduces the risk of gathering only superficial data from TEs (Denzin and Lincoln, 2000). Likewise, using in-depth interviews is particularly suitable when seeking to more deeply understand specific behaviors and activities, as explained by Ghauri (2004). The 14 constituent interviews of this study lasted between 50 and 88 min, with an average length of 69 min. Each followed a protocol designed by the authors (see Appendix) and tested in a pilot interview (which was also included in the study). The interviews were divided in various sections, beginning with migration experience, entrepreneurial activity and future plans. The section concerning entrepreneurial activity was the longest, comprising the origin, development, operations, international activities and perceptions regarding the impact of the subjects’ businesses. Several wrap-up questions concluded the interviews. Some control questions were also added.

Interviews such as these are especially important because they allow the researcher to identify TEs’ backgrounds and the different characteristics of their businesses. The current authors were accordingly able to establish different profiles that enhance our understanding of Colombian TEs and the businesses they create (see Table I).

The data collected were transcribed verbatim. It was then organized and analyzed using coding and content analysis tools, allowing for the creation of categories of analysis to facilitate the exploration of the topics under study (Elo and Kyngäs, 2008; Gioia et al., 2013). Excel files and ATLAS TI software supported data organization, analysis and the creation of categories of analysis and their links. Toward this end, a code book built with inductive and deductive procedures (from previous literature and from themes emerging from the interviews) was created and followed by the researchers. Each code was assigned a specific meaning, and every interviewer coded each interview individually. Thereafter, the researchers gathered in several rounds to compare the coding and made changes if necessary, according to the code book. Codes were re-read during the process of codification and analysis in order to assure consistency. All words or sentences identified with the same codes were deemed to have similar meaning. The coding process was complete, exhaustive, valid and mutually exclusive (Strauss and Corbin, 2004). Once the codes were built, the analysis began, with the purpose of establishing patterns, defining connections, relations and the relative importance of findings. For this, the relational content analysis was used, which enabled the identification of concepts and obtaining their meaning (Bourque, 2004). Also, this analysis permitted the identification of typical and deviant cases. This was an iterative process wherein analysis was required to re-code the data, leading to a new analysis stage.

In the analysis, first level categories were created, mostly with descriptive connotations. Using axial coding, categories were further analyzed and became more analytical, supporting the findings described in the paper. For this, the interactive model proposed by Chen and Tan (2009) was used, along with other deductive concepts raised from the data. Hence, TE participation in TB, and the TB were included in the analysis in order to provide answers to questions posed. Also, the analysis considered that individual characteristics of the TE affect the TB (Gruber and MacMillan, 2017), and vice versa, provided TB impacts some TE components of the study (such as institutional environment, entrepreneurial experience, travel frequency, among others).
<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Gender</th>
<th>Age</th>
<th>Civil Status</th>
<th>Education Level</th>
<th>City of Destination</th>
<th>Industry</th>
<th>Spoken Languages</th>
<th>Years inbusiness</th>
<th>Number of employees</th>
<th>Markets</th>
<th>Suppliers</th>
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<td>40 (mostly Colombian)</td>
<td>USA/Colombia</td>
<td>USA</td>
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<td>Manufacturing</td>
<td>Spanish, French</td>
<td>3</td>
<td>60 (mostly Colombian)</td>
<td>Global reach</td>
<td>Colombian</td>
</tr>
<tr>
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<td>36–45</td>
<td>Married</td>
<td>Undergraduate degree</td>
<td>Miami</td>
<td>Technology</td>
<td>Spanish, English</td>
<td>14</td>
<td>2 (not Colombian)</td>
<td>USA/Colombia</td>
<td>Global reach</td>
</tr>
<tr>
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<td>46–60</td>
<td>Married</td>
<td>Undergraduate degree</td>
<td>New York</td>
<td>Services</td>
<td>Technology</td>
<td>10</td>
<td>25 (Only 2 Colombians)</td>
<td>USA/Colombia</td>
<td>Global reach</td>
</tr>
<tr>
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<td>30–35</td>
<td>Single</td>
<td>Undergraduate degree</td>
<td>Los Angeles</td>
<td>Technology</td>
<td>Spanish, English</td>
<td>8</td>
<td>25 (5 Colombians)</td>
<td>Global reach</td>
<td>Global reach</td>
</tr>
<tr>
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<td>44 (19 Colombians)</td>
<td>USA/Colombia/Qatar</td>
<td>Global reach</td>
</tr>
<tr>
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<td>Over 60</td>
<td>Married</td>
<td>Master degree</td>
<td>Los Angeles</td>
<td>Manufacturing</td>
<td>Spanish</td>
<td>5</td>
<td>0 (Outsourcing with</td>
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<td>Global reach</td>
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<td>61</td>
<td>+ 20 (Several companies, with several nationalities)</td>
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<td>USA/Colombia/ Venezuela</td>
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<td>3</td>
<td>20 (all Colombian)</td>
<td>Global reach</td>
<td>Colombian</td>
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<td>3</td>
<td>N/A</td>
<td>Global reach</td>
<td>Global reach</td>
</tr>
</tbody>
</table>

Note: *The owner is the only employee*

Source: The authors' original work
Besides coding, and throughout the case analysis process, the authors found common patterns and different trends that were used to identify the characteristics of the firms created by the Colombian TEs interviewed, along with international operations they perform in their businesses (see Figure 1). Through multiple analysis rounds, the authors discussed the codes, patterns and findings with the purpose of enhancing internal validity. As previously mentioned, inductive and deductive approaches were included, based on the Chen and Tan model and other codes found in the data, especially for the business analysis.

Additionally, we made use of information from secondary sources such as academic papers published in specialized journals. Secondary sources were also used to compare and triangulate data, improving our analysis, presentation and discussion of findings (Yin, 2003).

4. Findings and discussion
In this section, the authors present and discuss the main findings extracted from the case studies following Figure 1. This permits analysis of the tension between both sides: migrants’ participation in TE and their TB. Accordingly, the section is divided among the following sub-sections:

(1) Participation in TE:
- micro level;
- meso level; and
- macro level.

[DiagramFigure 1. Categories of analysis

Sources: Authors’ original work based on Gioia et al. (2013), and Chen and Tan (2009)
Using this novel approach enables us to analyze how the individual characteristics of the Colombian TEs studied help to overcome institutional and networking shortcomings. Therefore, the particular characteristics of the group studied and the features of their businesses are integrated in order to form a more holistic picture.

4.1 Participation in TE

Micro level: main characteristics of Colombian TEs that impact TB performance and operations. Reasons for creating their businesses. According to the cases studied, TEs seem to be driven by reasons beyond altruism to create their businesses, economic considerations being the most common motivation. Only two of the interviewed TEs professed to have created their businesses for altruistic reasons:

The idea of creating a social business was born from my upbringing. Consideration towards the least fortunate people has been very important my whole life [...] I feel very connected to my country of origin and that inspired me to do something for Colombia. (Ana)

The company was born from my passion for Colombia. Our Colombian employees are low income women. We want to help provide an opportunity for improvement. (Laura)

Ana’s business is a philanthropic foundation, which is in line with its altruistic nature. Laura’s business, however, despite belonging to the manufacturing industry, is the only other whose creation was expressly inspired by altruism. Although some authors have highlighted the altruistic motive behind the creation of TB (Gillespie et al., 1999; Lin, 2010), this is not generally the case in our study. As only one company conforms with such findings, TB seems overwhelmingly motivated the desire for economic gain. In line with Gruber and MacMillan (2017), most of the TE appear to be “Darwinian founders” who follow a more individualistic and economic logic when pursuing entrepreneurship. This could be because of specific conditions which compelled TEs to leave the COO, which, along with their institutional environment (search for better income abroad, fleeing from violence and drug stigma, etc.), may engender the prioritization of personal gain and improvement. In other words, they seek to accomplish their migration objective of enhancing their economic status before moving onto more altruistic interests.

Nonetheless, all the interviewees are aware of the potential positive impact they are creating in their COO with their businesses, which compels them to correlate their self-interest with broader social contribution:

We [the company] already invested one million dollars in human capital in Colombia, 25 partners that are the next generation of Colombian building technology companies at a world level, a global level [...]. That way, our company is making a tremendous impact in Colombia. (Jorge)

Besides their economic motives, interviewed TEs’ entrepreneurial initiatives seem to be based on their previous experiences creating businesses, which the great majority of the interviewees claimed to have. In addition, only four of the interviewees claimed that their relatives have also had previous entrepreneurial experience. The entrepreneurial spirit among the cases studied, therefore, seems to be related mainly with the experiences in
business development from the participants themselves, and, to a lesser degree, to their families’ experiences:

When my brother and I were children we used to look after ourselves so we were very independent. When I was little I washed garages with a friend. After that, when I was school I prepared sandwiches to sell […] after a while, I started to sell them in the school cafeteria. (Nicolas)

I opened my first business when I was nineteen. I started some coffee shops in a mall and then I expanded to some sales points in a supermarket (Camilo)

The lack of support from relatives or that of other entrepreneurial networks evidenced in our data reinforces the supposition of weak and fragmented networks (Guarnizo and Diaz, 1999). It is interesting that even though Guarnizo and Diaz’s paper dates from 1999, such networks have not been strengthened over time. A possible argument for this is that the COO still has serious problems with drugs, violence and economic hardship among a substantial portion of its population.

Physical and virtual presence in the COO. Bearing in mind that TEs travel constantly to maintain their cross-national businesses (Drori et al., 2009), interviewees where asked about their travel frequency. Among the cases studied here, frequency of physical travel between COO and COD is partly determined by the presence or absence of a trusting business partner. Two interviewees stated that they did not travel or traveled very infrequently between countries. Also, they explained that they had business partners who take care of the business in their absence. Other participants tend to travel more frequently in order to personally control and manage business performance:

I travel to each place every six weeks. That means I am travelling to two cities or at least one per week. (Luis)

I travel very infrequently because I have a business partner and he is the one who is taking care of things there. (Juan)

However, all the interviewees agree that new information and communication technologies allow them to travel “virtually” more often, which reduces their need to travel physically between both countries. Indeed, it does seem like the entrepreneurs in our cases do take advantage of new developments in technology and communication to support their business operations, irrespective of other factors such as industry or education level. Frequency of travel may also be related with the lack of strong and wide networks, forcing the migrant to have more direct control over each of the business operations. Similarly, this could potentially limit their business growth and expansion toward other markets.

Language proficiency and education. In general, TEs interviewed have a fair command of English and a good educational level, with most of them holding professional degrees (see Table I), in line with Light (2014) and Portes et al. (2002):

I am fully bilingual, a native Spanish-speaker, and I have been going back and forth between Colombia and the USA since I was a child, so I speak English fluently. I hold a degree in Management of Information Systems from the University of Houston. (Laura)

I speak English fluently, at an advanced level, and I am a native Spanish-speaker. I hold a degree in political science and also an MBA. (Jorge)

Those interviewees that do not hold a professional degree have a strong entrepreneurial spirit and the persistence to move their business ahead:

I was looking for ways to improve our income […] I started selling folly things on eBay, and exploring things to sell there […] that’s how I started to realize I could create my own business. (Juan)
In the cases studied, education does not seem to be a differentiating variable in the type of business developed. This does not mean it is not important, however. The capacity to speak at least the COO and the COD language does seem to be very important, allowing the entrepreneur to better cope with business objectives, challenges and different environments.

Meso level: networks development. In light of the importance of networks with respect to MTE, interviewees were asked about their participation in hometowns and/or political associations and their networks in general. However, our findings were similar to those of other studies (Guarnizo and Díaz, 1999; Santamaria-Alvarez and Śliwa, 2016). Only two interviewees claim to have participated in at least one political association in the USA. Nonetheless, neither participate nor have participated in government initiatives, thus evincing no relation between participation in such associations and the participation in government initiatives. No interviewee participates or has participated in political associations from the COO:

I do not participate in any kind of political party or association. Not in the USA and certainly not in Colombia. (Juan)

I do not have faith in politics. I know that is not a good thing but I feel I won’t change that, even in the case of the USA. (Pedro)

The seeming reluctance of TEs interviewed to involve themselves in political associations and governmental initiatives can be justified by the lack of trust in the institutional environment, especially in their COO (Santamaria-Alvarez and Śliwa, 2016). TEs seem to have little knowledge or understanding of the opportunities these associations offer, which appears to play an important role when deciding to develop or not these entrepreneurial initiatives. Likewise, they could be missing out on resources such networks can offer, such as financial resources, growth potential in other markets, etc. Therefore, although the perception of the local environment at home could affect their MTE initiatives, as explained by Nkongolo-Bakenda and Chrysostome (2013), the interviewees do seem to overcome this with other business strategies to succeed in their ventures. Even if Colombian TEs maintain fragmented networks, they manage to create and operate their TBs. To do so, they seem to create strategic networks (Santamaria-Alvarez et al., 2017) to overcome obstacles and lack of resources. In does seem, however, that the Colombian domestic environment affects TE networks, and, as such, their businesses. It will be interesting to see if something similar occurs among TEs hailing from countries with similar socio-economic characteristics.

Macro level: institutional environment COO and COD. Given the importance that the COO’s local environment has on TBs and their performance (Newland and Tanaka, 2010; Nkongolo-Bakenda and Chrysostome, 2013), interviewees were asked about the institutional environment in their COO. In the cases studied, TEs tend to describe this institutional environment in negative terms, while referring to the COD they describe in mostly positive terms:

Colombia is lacking clarity in the rules. They lack a lot of support in the efficiency of documents and support to investors. That makes it very difficult to conduct businesses in Colombia. (Camilo)

[…] there is a lot of potential here [in the USA]. My company in Colombia […] it is like it does not exist […] this market is a thousand times bigger than the Colombian one. (Juan)

Interviewees’ situation allows them to compare their COO and their COD, experiencing the positive and negative aspects of both places, and to maintain their multiple-business environment, in line with Drori et al. (2009). As Colombia is an emergent market with social and economic difficulties, the negative aspects of the country are enlarged in comparison
with the USA, a developed country. Such comparisons could justify interviewees’ decisions to migrate in the first place or their current decision to stay in the COD. Furthermore, six interviewees answered that some institutional aspects of their COO represent the biggest difficulties they had to overcome when building their business:

The main obstacle I faced in starting the business is that communication is different in Colombia. If I send a text to an employer in the US, they will answer me in 30 seconds. If I send a text here in Colombia it could be an hour or two hours. Banks have very slow processes too. Unpunctuality is another factor. (Pablo)

The main difficulty I had is to make Colombian people understand that what they do affects others, if they do not deliver stuff on time and with no quality they are affecting another company, another country and other economies. (Sara)

In contrast with the findings of Nkongolo-Bakenda and Chrysostome (2013) and Newland and Tanaka (2010), Colombian TEs interviewed have been able to develop flourishing TBs even though they have had to face the multiple shortcomings of their COO’s institutional environment. Consequently, even if the institutional environment seems to be a key factor when creating and succeeding in TB, our participants have been able to overcome the perceived negative institutional environment in the COO to create and prosper with their TBs.

On the other hand, the position of the TEs with a foot in two countries enables them to take advantage of both, applying their knowledge in both contexts. Alternatively, when asked about the impact of the relations between Colombia and the USA on their businesses, TEs interviewed were uncertain about the relevance of it for their businesses. Some did not recognize the benefits of those relations for the TB:

I do not think the relations between Colombia and the USA have affected my business. (Jose)

Beyond the FTA, Colombian-USA relations have no effect on my business. (Nicolas)

One of the possible reasons for this lack of concern is that the participants may not approach the government for information about their foreign relations because they do not trust the government, as mentioned before. Also, the information they have about the FTA and its implications appears limited and ambiguous. Such unawareness could result in less competitiveness and lower business performance, especially if compared with other types of international businesses. In keeping with the literature, there is no evidence of COO and COD international relations impacting TB performance. Hence, more research should be developed regarding this topic to determine possible impacts.

In line with Chen and Tan (2009), it is interesting to see how even if in our cases the TEs participate in TB, they do so with limited networks and macro environment facilities. Hence, their individual and firm characteristics should overcome those shortcomings (micro level).

4.2 Transnational business (TB)

Business characteristics and environment. Benefits found in their operational locations. Among their mainly economic-oriented reasons for creating TB, participants in this study have argued low production costs in their COO influenced their becoming TEs. They are able to avail themselves of this benefit partly because of their knowledge of each country, which in turn allows them to glean the best from each:

I developed my business between two countries because in the USA the labour costs are very expensive [...]. Very, very expensive. I am between two countries looking for cheaper labour costs. (Nicolas)

I had the company here when I decided to start the business. The payments ratio is like four to one. With one person in the USA I pay four people in Colombia. (Juan)
This finding reinforces the lack of altruism among TEs, and the predominantly economic drive our interviewees express behind becoming transnational, focused mostly on the saving of costs while operating in their COO. Similar effects have been also observed by authors studying TEs from other nationalities. For instance, Wang and Liu (2015) concluded that TB can achieve lower costs of operation and, therefore, higher revenues partly by virtue of low-cost performances in the COO. Nonetheless, in our study, low cost is a primary reason for establishing the business in Colombia, not an indirect benefit ensuing from the main desire to altruistically support the COO. In this sense, TEs can take the best of both countries to improve business outcomes. Besides, this cost reduction can give them competitive advantage, which can positively impact their business performance.

Since low-cost operation is an important portion of our participants’ businesses, it is debatable whether this could be one of the features that help them to overcome disadvantages with respect to meso and macro level components when participating in TB (Chen and Tan, 2009). This should also be examined in TBs created in similar contexts.

Talented human resources. When recruiting, participants look for special characteristics in their potential employees in terms of abilities and personal attributes such as creativity, technical skills, bilingualism and interpersonal skills. The importance they place on certain characteristics among their employees also constitutes a reason for them to invest in Colombia. Interviewees mention how the good quality of the workforce in Colombia influenced their decision to invest in the country:

"The benefits are the low cost and the fact that you have a great human capital obviously. We would not be in Colombia if there was not a great human capital. (Jorge)"

"There is a really good quality of engineers in Colombia. There is very high qualified talent there. (Pedro)"

Among the aims of most participants is the provision of high quality, customized products or services in a timely manner, which shows a commitment to their clients. These aims are in line with the qualifications they look for and find in their COO-based employees. These goals, however, do not seem to be explored or described in previous studies of TB. These findings, along with those related to low labor cost, reinforce the notion of mainly economic considerations motivating TEs’ investment in their COOs. It does seem like interviewees find that Colombian employees have the specific characteristics they are looking for, which may be attributable to the Colombian culture and identity. As in the previous example, this could be another quality that helps them overcome other macro and meso level shortcomings.

Innovation and disruptive businesses. Regarding innovation in TB, five of the interviewees claim to have businesses that disrupt the industry in which they are presenting innovative products or services. These TBs are all in the technology sector:

"We revolutionized this industry in the USA and maybe in the whole world, especially in those countries where this industry is not so developed. We practically invented the system, we currently have two patents. (Maria)"

"I think we are pioneers in what we are doing. Not only in Colombia but on a global level. What we do is very specific and has a very broad impact in a lot of industries. (Ricardo)"

The nature of the technological industry, which is based on constant innovations and new developments, might influence the dynamics of these TEs interviewed compared with the ones in more traditional fields. Likewise, similar findings have been shown by other researchers such as Saxenian (2005) and Lin et al. (2008). In both cases, the authors mentioned the innovation made by Chinese TBs mainly in the technology industry. However, there is no strong evidence of innovations fostered by TEs in other sectors. Among our cases, not all innovators are located in Silicon Valley (as Saxenian’s (2005) study
explores), leading us to think that these innovations might be more related with the sector *per se*, or that this is a common characteristic of TEs working in technological sectors. More research will be needed to further develop these concerns.

By contrast, seven of the participants who work in the manufacturing or service industry do not consider their businesses to provide big disruptions or innovations in their industry. To the best of the authors’ knowledge, there is no strong evidence of innovations within other economic sectors by TEs. This disparity between TBs according to industry with respect to innovation evidences the direct relation between innovation and the industry in question. However, some of these companies seem to innovate by enhancing processes that increase productivity, providing distinctive designs and services to their customers:

> We innovate by providing exclusive designs to our customers and we also help suppliers in the development of new raw materials for our products. (Nicolas)

This quote leads us to think that some of the participants do not have disruptive innovations in their businesses, and that they might need to have some training with respect to this topic. Additionally, this reinforces the previously mentioned importance placed by interviewees on customer service (see the previous section).

Transference of knowledge. In contrast with Saxenian (2005), the transference of knowledge made by participants in this study seems to be limited. Four of the interviewees said they transfer knowledge due to altruistic motivations, and to actors outside of the business. Two of them mentioned their interest in transferring their knowledge to other young entrepreneurs:

> I am interested in helping young Colombian people to become entrepreneurs and establish their companies. More than half of these young people I am helping to open businesses. I know how to do that; I am an expert in doing it. (Carlos)

The transference of knowledge inside the business or toward employees is also limited in the cases, only three of the interviewees affirming they do this. On the other hand, one entrepreneur answered negatively about transferring knowledge:

> It is very difficult to transfer knowledge. It is very sad because every two years I go to a Macro Business Conference to look for suppliers and Colombian people promise too much and when it is time to solidify the business they do not meet the agreement. (Sara)

The above answers may suggest that the fragmented networks of the TEs and their mainly economic motives to invest in the COO affect their willingness to transfer knowledge or technologies. Those more willing to do so seem to be in the technological sector, maybe as a consequence of the characteristics of this industry. Santamaria-Alvarez and Śliwa (2016) analyzed the fragmented networks of Colombian TEs. The authors found that the reluctance to be involved in activities involving their COO was related with the lack of trust they felt with their co-nationals. Accordingly, the interviewees might be avoiding transference of knowledge to their COO due to their mistrust. Hence, the participants themselves are limiting the development of their institutional environment (macro level component). Similar studies in comparable contexts could provide more insights into this topic.

Financial support. According to the participants, there is no evident relation between the financial support they receive and the industry to which they belong. Participants draw financial support for their businesses primarily from close “strategic networks” (Santamaria-Alvarez et al., 2017) or from their own resources:

> We have not received financial support. We started our business from scratch. (Maria)

> I do not have investors at the moment. My dad sometimes makes private loans. (Laura)
The limited amount of investment available from this closed circle also limits the growth and expansion of the businesses, potentially impacting performance. Only three interviewees state they have received or currently receive investment from a third party such as an angel investor and/or the government. One of them runs a non-governmental organization (NGO) that by nature is close to governmental initiatives and support. Likewise, this financial limitation impacts businesses’ size, revealed in the mostly small size of the TBs included in the cases, which have between 11 and 50 employees. More empirical research studies could be done comparing the financing situation of TBs, their size and their performance in order to determine possible patterns and commonalities among TEs’ businesses from different COOs and/or CODs. In addition, participants do not rely on financial institutions for financing. In our cases, this seems to be related to the conditions of the environment at home and abroad (macro level factor).

Business vision. A great majority of the interviewees have some plans or vision about the future of their business. Eight of the interviewees have plans to continue growing their business, especially with respect to increasing the number of employees, production facilities, sales or productivity. Only three of the interviewees talked about growth in terms of new technologies and innovation inside the business. This indicates a preference among the participants for growing their business in economic terms (mainly through organic growth and their own financial resources) rather than for pursuing disruptive initiatives. Participants seemingly have big ambitions for their businesses, and plan to grow in the near future:

The idea is that in one or two years we have a product that you can get from our web page from anywhere and have a trial of one month. That is our dream and with globalization it is going to be easier. (Ricardo)

We were two and then three and after that we were seven. Today we are fifteen. There are a lot of opportunities, I was speaking with someone that has a similar business with more than thirty, forty people. (Pablo)

Despite their desire to continue with their TB, four of these TEs are considering the option of returning to their COO in a short or medium term. The decision to stay in or leave the current place of residence does not, however, seem to affect future business plans. As such, growth plans for the businesses in this study are not tied to a specific place or country, but are capable of floating globally. In this sense, TEs could make use of their transnational position to overcome challenges within the COO and COD (institutional environment). Consequently, they could leverage their lack of networks with their own will and technological advancements.

On the other hand, and compared to Guarnizo’s (2003) findings, most of the TEs interviewed do not plan their investments with the objective of looking for resettlement in the COO. Instead, they keep in mind the notion of creating TB as a financial and economic transnational venture; this accords with their economic-driven motivation for creating their businesses.

There is not much literature regarding TB’s vision or future plans. Therefore, more empirical research is needed in terms of future plans for TB among a range of TEs in order to find possible commonalities and differences, and to provide more nuanced discussions regarding this topic.

Business promotion. To promote their businesses, only five of the TEs interviewed use virtual resources for advertisement such as social media, Google AdWords, etc. The main methods of promotion used include word of mouth and establishing contacts. One of the cases studied is exceptional in this regard, insofar as the entrepreneur research works and contacts potential clients himself instead of using other
promotion strategies. He claims to use this approach because of the complexity and specificity of his product:

We are constantly seeing people who failed trying to do what our company does, and we offer them solutions [...] that way we are the ones who reach the clients. (Ricardo)

I promote my business idea with word of mouth mainly. Currently we have social media but we have not developed any specific strategy. (Camilo)

The implications of not using specific promotion strategies or using traditional ways of promotion may include a decrease in TB growth as a large part of the market may remain untapped. In other words, potential growth in terms of sales and market share might be lost, also affecting competitiveness within the market. Also, the small networks our interviewees possess limit their potential to reach other markets, meaning potential contacts in other places can be lost. Consequently, most of the growth of the business in our cases is organic, limited and dependent on the interviewees’ will, abilities and resources. This can also constitute a partial explanation for the rather small size of the businesses under study.

Since this is a topic still underexplored in TEs and TB studies, the findings related here should serve as a starting point for determining how TEs promote their products and services, and how this can affect business performance in general.

Competition. When asked about their competitors, interviewees’ responses were divided. Three participants claimed their TB did not have competition or direct competition, showing either a weak development of competition analysis or a first-mover advantage in the market. However, according to the business characteristics and the interview subjects, the former is the most typical explanation, as only two businesses seem to have a first mover advantage. Conversely, some interviewees stated they had numerous competitors, but did not have a clear understanding of the characteristics of these competitors nor a notion of how to take advantage of their weaknesses:

Honestly I do not know how many competitors I have. I have no idea what they are doing and I am not interested in finding out. (Camilo)

Our competition is huge! [...] I only look at them when I need to and I do not really deal with them. (Laura)

The identification of the actors in their industry that either compete or collaborate with them could boost the competitiveness of the TB, while creating the basis for being differentiated in the market. Along these lines, TEs interviewed apparently do not develop the ability to identify market players that could impact their businesses’ performance, a deficit which could also limit their potential for expansion to other markets beyond their COO and COD.

This argument could be reinforced by the fact that eight of the TB cases studied here operate only in their COO and their COD. The remaining six operate in additional markets (and it is important to note that one of those six had previous experience and knowledge in the third market). The preference for limiting business operations to known markets shows a tendency toward conservative approaches among the TEs, as will be discussed in the next section.

Consistent with the literature review, there are no previous studies that have analyzed this phenomenon within TB. Hence, more research should explore this topic with the aim of further explicating the impact of these tendencies on performance.

International operations. Thanks to their position between two or more countries, all of the interviewees have operations in both the COO and the COD. Only six claim to operate in other markets beyond these two. Of these, only one interviewee claimed to have previous
knowledge of that market. All the others have entered these additional markets without recourse to former experience or close networks:

[...] I will say that [while] around 50% of our customers are in the USA, we have customers all over the world. (Maria)

The platform is global and we have users worldwide, but right now we have users mainly from the US. (Pedro)

In contrast to ethnic entrepreneurs, and in line with Drori et al. (2009), the businesses in the cases of this study are not limited to an ethnic enclave. Their main customers are not co-nationals, since they target markets in the COD or even third countries. Regarding the trading of products and services between countries, most participants export Colombian products or services to the USA, and, in some cases, to other foreign markets:

All my providers are in Colombia and all my clients are in the US. (Nicolas)

[..] we sell mostly to the US, to US costumers, with USA investors, but all the development and production team is located in Colombia. (Luis)

Therefore, participants’ business activities do reinforce international trade between two or even more countries, bringing benefits for the COO, and depending on their supply chain, even to the COD or third countries. In this study, participation in third countries is mostly limited to other culturally similar markets to those interviewees know, such as Peru, Venezuela, Argentina, Mexico and Honduras, in contrast with the findings of Lin et al. (2008). These authors explain how the connection with third countries in their study was connected to TEs’ network location, not to cultural distance. The different findings in our case may be attributable to the lack of trust and the fragmented and closed networks Colombian TEs maintain, according to Santamaria-Alvarez and Śliwa (2016). Even so, it is noteworthy that one of the TBs studied here has expanded to Qatar. This was achieved by via the relations the entrepreneur enjoys in this market, which have been developed through contacts and associates from that country:

[..] [Name of the Company] is established in the USA. We have a subsidiary in Colombia, and another one in Qatar, in the Middle East, and soon we will open a new one in Switzerland. (Ricardo)

As previously mentioned, interviewees’ business planning encompasses expansion to other markets. In accordance with such plans, most of the TBs in this study have expanded or are looking to expand to other Latin American markets first. This behavior shows their preference for markets that are culturally and geographically (physical distance) close to them, as previously mentioned. These proclivities could reflect the relative ease with which they are able to establish contacts, create long-term business relationships and deal with problems that may arise during the course of business operations, especially when they cannot call upon robust networks. However, there is no evidence of directly investment in these markets, except for the participant who has operations in Qatar. In all the other cases studied, the TEs are predominantly engaged with exporting. None of the other internationalization methods such as franchising, licensing, joint ventures, among others, seem to be used by Colombian TEs. Similarly, there is no evidence of such entry modes being used by other TEs while internationalizing their operations. Further research on this topic is required to more conclusively delimit the horizons of internationalization strategies among TEs.

According to the findings of this research, and following Kotey (2005), it seems like the international orientation of these TBs is mainly based on their owners’ ambitions, beliefs and knowledge. Moreover, it is important to bear in mind that their size and operations resemble those of a small- and medium-sized enterprises (SMEs), which differ greatly as compared to large multinational corporations (MNCs) in terms of ownership structure and managerial
approach (Pinho, 2007). Furthermore, most of the TBs in this study are single-owner managed or family-owned firms, and because of this, their entry mode might differ from those used by MNCs. Also, their limited resources might impact their choices when going abroad.

In terms of international operations of TBs created by TEs in the cases studied, more needs to be researched in order to understand not only how they develop their international strategies, but to shed light on international strategy theory and its relation with diverse types of entrepreneurship.

5. Conclusions and recommendations
The analysis of the TB created by Colombian TEs in this study allowed the authors to obtain a deeper understanding of those TEs, especially regarding their TBs’ international operations and characteristics. Although most studies focus on MNCs, this study was able to provide first-hand data on the characteristics of TB set up by TEs from an emerging country (Colombia), and the international operations they engage in, highlighting very interesting patterns that agree or even contradict findings from previous studies. This study also produced findings in areas that have not been widely explored. In both of these regards, our findings contribute to the international entrepreneurship and the international business literature. Similarly, this paper provides guidelines for TEs from countries with similar socioeconomic characteristics to those of Colombia, including those wherein social unrest, guerrilla activity and/or drug-related violence have spurred migration.

Among the main personal characteristics exhibited by the TEs interviewed for this paper which impact business performance and operations, it is important to highlight their primary emphasis on economic gain. This incentivizes them to take advantage of the different COO and COD contexts, thanks to which they find the right conditions to produce with lower costs and sell to diverse markets. This is the case even despite the macro and meso features that surround them being limited and constrained (Chen and Tan, 2009). The TEs studied here exhibit low participation in Colombian or political associations in both their COO and COD, as well as little enthusiasm for participating in governmental initiatives, which reinforces the findings which indicate they operate in fragmented and closed networks. Also, they share a good command of at least two languages, and in general have relatively high levels of education. Most of them have previous entrepreneurial experience, and frequently travel either physically or “virtually” by means of telecommunication and technological tools to keep in contact with their employees and customers. These findings are in line with most of the literature on TEs from other countries. However, their lack of altruism when establishing their businesses is different from TEs from other countries. Likewise, their scant participation in associations is another point of difference with other groups (Saxenian, 2005; Lin et al., 2008, among others). In addition, participants have been able to engage in TB even when the institutional environment at home and abroad and their small and fragmented networks present limits at the meso and macro level. Therefore, and probably because of their cosmopolitan identities, their knowledge of two or more markets, their will, and the use of technology, they are able to overcome those obstacles to develop their businesses.

On the other hand, interviewees mention how the high quality of the labor force they find in their COO, combined with relatively low costs and good service orientation, benefitted their TB, reinforcing their mostly economically driven motives for creating and operating their TB. In general terms, they also seem disinterested in transferring knowledge to their co-nationals or to their employees. This detachment could be explained by the lack of trust and fragmented networks Colombian TEs display. On the other hand, their knowledge of the local labor force in the COO could provide them with some competitive advantage that allows them to reduce the problems of lacking resources at the meso and macro level.
The findings regarding the micro perspective of TEs’ participation in TB in the cases studied suggest guidelines for further research, especially regarding how to overcome meso and macro level shortcomings, and how micro level characteristics of the individual and the business can overcome shortcomings extant at the meso and macro level. Also, the findings outline how personal characteristics, identity and individual behavior impact TB and TE, and why some migrants engage in TB even if the environment at home and abroad is not favorable for the development and success of their businesses. It will be interesting to conduct similar research in analogous contexts in order to enhance our knowledge of the nexus between TEs’ characteristics and their TBs.

Regarding business strategy, Colombian TEs interviewed do not seem to have a specific marketing or promotion strategy that could boost their business in terms of impact and market advantage. They also do not have much knowledge about international agreements between their COO and COD, and the possible benefits these could bring to their TB. This lack of knowledge could be based again on the lack of trust Colombian TEs feel toward both their co-nationals and their COO’s government. In addition, all of the TEs in this study plan to grow their businesses, either in scope or in scale, although their limited funding impedes their expansion. Most of their funding comes from their own resources or those of their close networks, limiting their growth potential, which leads them to pursue limited organic growth for their TBs.

It is interesting to see how, even if participants have a negative perception of the institutional environment in their COO, they are still compelled to found and operate their business from there. This is especially striking in light of the fact that such perceptions seem to be an important factor for TEs from other countries (Newland and Tanaka, 2010; Nkongolo-Bakenda and Chrysostome, 2013). Nonetheless, these particular findings could be attributable to the specific context of the country, including pervasive violence, socioeconomic difficulties, guerrilla groups and drug-trafficking problems.

With respect to their international operations, the businesses studied here tend to internationalize by looking first at other LA markets, due to geographical distance and cultural similarities. Their operations are mainly focused on import-export activities, followed by some Foreign Direct Investment operations, restraining their internationalization potential. This may be down to their limited resources, and their lack of strong networks in other markets, leading them to expand to culturally similar markets.

It is important to note that there is not enough empirical evidence or research parallel to this one engaging with TB operations among other TE groups. Such additional work will clearly enrich the broader fields of international business, management and international entrepreneurship literature. Specifically, more research concerning TB promotion, competition, analysis, innovation, expansion, future plans, employee’ characteristics, market expansion, international operations, financing, international strategies and entry modes is required.

Also, at the meso and macro levels, research is needed on how networks strengthen during time (or not), and how such network effects evolve, enhance or limit TB growth and performance.

In general terms, it would be interesting to see a study on the characteristics of TB from other TEs, especially those coming from similar environments, as well as comparisons between SMEs and TBs, and their internationalization strategies. Finally, further research on TB that falls with the category of SME would contribute greatly to the literature of transnational entrepreneurship and international business in general.

On the other hand, governments from developing countries, and those with similar social and economic characteristics, may also benefit from this and similar studies, which can provide guidance for policy-making and specific business development strategies. For example, governments need to provide the right environment to promote investment
knowledge transfer, to create financing strategies, and to develop business development centers, among other issues. Especially, governments need to enhance their relations with their potential TEs in order to reduce mistrust in formal institutions and government.

As the world becomes more globalized, the latest developments in IT and communications will make it easier for entrepreneurs to carry out their personal projects. Understanding how they develop and enter transnational markets is critically important not only for academics but also for governments which might utilize such understanding for socioeconomic development.

References


Hung, E.S. (2011), Migración, Desarrollo Humano e Internacionalización, Editorial Universidad del Norte, Barranquilla.


Further reading


Appendix

INTERVIEW PROTOCOL

Before each interview, a formal letter will be sent to invite the Migrant entrepreneur to be part of the study and establish a date for the meeting to take place.

To start the interview, the researcher must explain to each interviewee the purposes, objectives, and uses of the actual research. Confidentiality and validation issues should also be discussed.

The following questions are a guideline for the interviewer, not the interviewee.

During the interview, it would be necessary to identify the characteristics of the entrepreneur to be interviewed. For this purpose, some questions and direct observation will be used. Questions that will have to be addressed are:

- Name of person, age range (under 15, 16–20, 21–25, 26–35, 36–45, 46–60, more than 60), gender, education level (non-high school diploma, high school diploma, unfinished bachelor degree, bachelor degree, unfinished graduate studies, graduate degree).
- Where was the person born
- Family’s composition (who are member of this family?)
- Marital status of the head of the family (single, married, divorced, widowed, other),
- Place of residence, and economic status (quintile)
- Language competences (Spanish-English, other?)

Those previous questions will provide data to classify the profile of the interviewed entrepreneur, and should be addressed at the end of the interview, with the purpose of avoiding misleading data. At the end of the conversation, the interviews will know the data they have provided us, and they can feel more comfortable answering those questions.

Questions to be addressed to the entrepreneur:

a. To break the ice and allow the interviewees feel more comfortable, the first question will be conducted to ask the entrepreneur to tell us the migration experience. Variable to be studied: Migration.
   - Could you please tell describe me how was your migration experience?
     o Sub questions:
       ▪ Which family member(s) migrated (Father-head or not of the family-, mother-head or not of the family-, grandmother, grandfather, daughter, uncle, aunt, all, etc).
       ▪ Which reasons motivated the person(s) to migrate? (The objective of this question is to determine the reasons that motivated him/her to migrate, and relate those reasons with the possible reasons to engage in transnational activities)
       ▪ What was the migrant main activity before migration? (Student, employee, employer, self-employed, unemployed, worker with salary in a family owned business, other-which one?)
       ▪ Could you please describe your work experience? (to understand competences and skills that could have been the base for creating the transnational venture)
       ▪ Where did the person go and why? To determine if: the country of destination allowed the person to migrate freely or not, the main characteristics of the destination country versus the country of origin, the possibilities to motivate a future return and the possibilities to establish transnational connections.
b. Could you please explain me what is your entrepreneurial activity?
   This question will allow studying the entrepreneurial business itself, along with the main motivations, type of business created and its main characteristics, and the positive/negative aspects associated with TE. This information will allow us to compare the interview results with actual theories, and previous empirical research done. Variable under study: TE
   o Sub questions:
     ▪ Could you please tell me the name of the entrepreneurial venture? When was it created? Where?
     ▪ How was the idea of the business originated?
     ▪ Why to work between two or more countries?
     ▪ How often do you travel between or among those places of operations? Why?
     ▪ Is it the result of previous experiences gained at home before migration?
     ▪ Is it the result of experiences learned after settlement in the new place of residence (after migration)?
     ▪ Have you used previous knowledge to create the venture? If so, how? Please describe
     ▪ Have you used migration experience to create the venture? If so, how? Please describe. Similar
     ▪ Which kind of activities does the company perform?
     ▪ Do you think your company provides innovations? Of which type? Why?
     ▪ Does the company use new technologies? How? Why?
     ▪ Where does it operate?
     ▪ How many employees does the company have? Where are they from? How have you selected them? How many of them are Colombians working overseas?
     ▪ Do you plan to increase the number of your employees in the next year? In five years? Why?
     ▪ Could you please describe the characteristics of the top management team? (Number, age, education, experience, ethnicity, functions, etc.)
     ▪ Do you import? Where from? What?
     ▪ Who and how have supported the venture? Where are they from?
Do you receive financial support? Where from?
Does the venture have international trade operations? If so, with which countries and how those where originated?
Who are your main suppliers? Where are they from?
Who are your main customers? Where are they from? Have always been those customers of the customer base has evolved? Why?
How do you promote your business idea? Where? Why?
How is your competition at home? Abroad?
How has your company evolved since its creation? Which future perspective do you have for your business? (Growth, sales, etc.)
Do you plan to increase the business capacity in the next year? In five years? Why? How?
Have you participated in governmental initiatives to support/develop your venture? (At the national, international, regional and/or community level)
How the relations between Colombia and US have impacted your business? Why? Or not and why? (Impact of relations of CO and CD (international agreements, too)
Has the FTA between Colombia and the US has impacted or not your business, according to your perception?
Which personal characteristics does he/she consider have helped you to create the venture and make the business successful?
Have you had other ventures in the past? If so, which ones, where, type of business, does it work today (yes/no/why)
What are the main obstacles you have had to face to create the business?
What are the main obstacles you have had to face to make your business successful?
What are the main benefits of the TE venture for you? For your family? For the involved countries?
Does the interviewee think the business has changed his/her life or not and why? (To determine the perception the household have over the TE)
Could you please provide some recommendations for future migrant entrepreneurs
Is there something else, besides money, which the migrant(s) have gained and used for the business creation? (Control question)
Do the entrepreneur participate in associations of Colombians or other type of associations? Why? (to determine if the migrant(s) used this form of national affiliation)
Did the migrant(s) participated in political parties, reunions, or voting activities for Colombian government? Why? If so, which impact do you think it had in your business?
Do you consider yourself to be settled in Colombia or do you consider yourself as a person who lives in two or more countries? If so, why? (To study potential transnational living strategies).

C. What are the future plans of the business?
This inquiry will evaluate the desire to return and to invest in other projects. Variable under study: Future investments and/or business plan
     Sub questions:
        Have you invested in other assets the country? Which reasons have motivated you to invest? If so, in which type of investments? (This enquiry lets us determine if and how migrants are investing in Colombia, what they consider an investment, and the reasons to do so. The possible answers can also help us to delineate policies to motivate further investment from migrants).
d. Role of Networks

**Position generator**

Now we would like to learn more about your social relations. Entrepreneurs often have to deal with people in different occupations. Here you have a list of occupations:

A. **Do you personally know someone who does any of the following jobs in your country of origin?**

B. **Do you personally know someone who does any of the following jobs in the host country?**

Personally know: More than just casual acquaintances

If you know someone on the following occupations in the host country, what ethnicity is this person? (white or Caucasian, Asian or other than Chinese), Black or African, Hispanic or Latin, native, other)

<table>
<thead>
<tr>
<th>In your country of origin</th>
<th>In the Host country</th>
<th>Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government official</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community association</td>
<td></td>
<td></td>
</tr>
<tr>
<td>leader/activits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic/professor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venture capitalist</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loan officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawyer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT engineer/computer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>programmer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journalist/editor in media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales or marketing manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneur/Small business owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School teacher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physician or other health worker</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Truck driver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrician</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waiter/waitress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policeman or policewoman</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**The Name generator:**

Please tell me the names of three of your team members. If you have more than three team members, think of the three most important team members. Please give me only their First names, so that we can talk about them without revealing their industry.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Name</th>
<th>Function at the time of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Entrepreneurs often need a little help from family members, friends, coworkers, neighbors, acquaintances, or even strangers. Now, think about people (not including yourself) who helped you to establish your current business. Please give me only their first names, so that we can talk about them without revealing their identity.

Note: If the same name is mentioned twice or more times, ask if the respondent is referring to the same person or not. If different, add a number to the first name, such as Jim 1, Jim 2, etc.

If the participant comes up with a name in Scenario A, then go to the next questions. If not, ask scenario B.

SCENARIO A: Please think of one person who has provided...

SCENARIO B: If you did not receive such help yet, when you need this help, who do you think will be the person that is most likely to provide...

<table>
<thead>
<tr>
<th>NAME</th>
<th>SCENARIO A</th>
<th>SCENARIO B</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Introductions to people who are useful for your business</td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td>Business related information or advice</td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td>Training in business related tasks or skills</td>
<td></td>
</tr>
<tr>
<td>H4</td>
<td>Financial assistance (like investment, equity, loan, loan guarantee, etc.)</td>
<td></td>
</tr>
<tr>
<td>H5</td>
<td>Physical assistance, use of land, space, buildings or equipment</td>
<td></td>
</tr>
<tr>
<td>H6</td>
<td>Business services (legal, accounting, or clerical assistance)</td>
<td></td>
</tr>
<tr>
<td>H7</td>
<td>Personals services (such as household help or childcare)</td>
<td></td>
</tr>
<tr>
<td>H8</td>
<td>Anyone you haven’t mentioned but who is particularly helpful to your business. Please explain what service or assistance this person provides to your business.</td>
<td>helping to get ideas</td>
</tr>
</tbody>
</table>
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Abstract

Purpose – In an extreme and intentional institutional void, African refugees in Israel are bricoleuring by building an entrepreneurship market next to an “open” detention camp. The purpose of this paper is to analyze how refugee entrepreneurs overcome institutional voids through bricolage in an illegal marketplace outside the detention camp.

Design/methodology/approach – In order to deal with the question of why and how people act entrepreneurial under extreme circumstances, the interpretive/social constructionist paradigm is applied in form of the multiple stories milieu case study pattern. Data were gathered via official reports, interviews and observations.

Findings – Outside the detention camp it is via bricolage that entrepreneurs address the economic detour in the intentional institutional void. At a place which is meant to make asylum seekers leave Israel by coining them “infiltrators” and by “making their lives miserable,” bricoleurs attend their own and the needs of fellow detainees providing goods and service and community space.

Originality/value – By contextualizing entrepreneurial practices, the paper contributes to the understanding of refugee entrepreneurship by demonstrating how refugees – within the pressure and constraints of context – initiate entrepreneurial activities. Theoretically the paper extends knowledge of minority entrepreneurs who are acting as bricoleurs, explaining how their entrepreneuring can be a kind of space creation process.

Keywords Business development, Sustainable entrepreneurship

Paper type Research paper

Introduction

In the twenty-first century, global migration is a key factor and has become a major economic, political, social and cultural issue. While about 90 percent of the world’s migrants usually move for economic reasons on a voluntary basis, the remaining 10 percent seek refuge and asylum, having fled their countries in an escape from persecution and violence (Heilbrunn and Iannone, 2018). Although host countries are looking for strategies aimed to improve the situation of refugees, millions of displaced individuals across the globe are among the most marginalized of groups, exposed to discrimination, unacceptable living conditions and high rates of unemployment (Bloch, 2008, 2014; Lyon et al., 2007; Phillimore and Goodson, 2006).

The question of how to integrate refugees arises with increasing urgency, and therefore strengthening the livelihood and economic self-reliance of refugees is considered as priority (Jacobsen, 2002). Entrepreneurship is perceived as a potential alternative path for the integration for refugees, since structural employment challenges often impede their entering labor markets in host societies. Due to shortages of formal employment opportunities in their places of asylum, many refugees are even obliged to become entrepreneurs (Easton-Calabria and Omata, 2016). Notwithstanding, asylum seekers and refugees have not been in the limelight of entrepreneurship research to date, and existing academic studies are limited, are primarily country- and context-specific, and essentially draw upon theoretical models from the field of migrant and ethnic entrepreneurship.

In the absence of a comprehensive theory of refugee entrepreneurship, the existing theoretical conversation concentrates on a number of issues. First, scholars started to recognize that refugee entrepreneurs differ from migrant entrepreneurs in terms of motivations, skills, social and cultural capital (Roth et al., 2012; Wauters and Lambrecht, 2006, 2008).
Wauters and Lambrecht (2006, 2008) have put forth that the fundamental differences between migrant and refugee entrepreneurs concern access to country of origin resources, social networks, consequences of flight, trauma and selection criteria (Wauters and Lambrecht, 2008). Ethnic entrepreneurs use co-ethnic resources (Heilbrunn and Kushnirovich, 2008) and migrant entrepreneurs share a migration background (Kontos, 2003); both groups typically have access to country of origin as well as to country of residence assets, networks and markets, coined “mixed embeddedness” by prominent migrant and/or minority entrepreneurship approaches (Kloosterman and Rath, 2001; Kloosterman et al., 2016). Refugees on the other hand, have been forced to leave their countries of origin and therefore are no longer embedded in those structures and cultures, cannot access networks and markets and often left assets, documents and credentials behind (Robertson and Grant, 2016). Moreover, following Betts et al. (2017), the very state of being an asylum seeker or refugee places these people conceptually in an institutionally distinctive position which limits their access to monetary and non-monetary resources (Jacobsen, 2002; Werker, 2007) constraining their ability to pursue economic action toward improving their living conditions. In comparison to migrants and minorities theirs’ is a different ontological state of being, and consequently they confront considerable and additional market entry barriers, also when attempting to start a business.

Second, based on labor market disadvantage theory and its related blocked mobility underpinnings a number of studies have described significant barriers of refugee entrepreneurship, such as legal restrictions as well as personal and structural discrimination (Ayadurai, 2011; Bloch, 2008; Fong et al., 2007; Heilbrunn and Iannone, 2007, 2018; Lyon et al., 2007; Wauters and Lambrecht, 2008). In a number of publications, blocked mobility has been clearly identified as a motivator for refugee entrepreneurs (Price and Chacko, 2009; Roth et al., 2012; Tomóry, 2008). At the mezzo level, access to financial and social capital are mentioned as facilitators to entrepreneurship (Sandberg et al., 2018; Omeje and Mwangi, 2014) while at the micro level, lack of intercultural resources in terms of language skills, cultural understanding and professional knowledge have been identified as significant obstacles (Bloch, 2008; Lyon et al., 2007; Heilbrunn and Iannone, 2018). The main personal motivators for entrepreneurship mentioned by refugees concern a longing to improve their living conditions and integrating into their new environments (Fong et al., 2007; Sandberg et al., 2018; Sheridan, 2008; Tomóry, 2008; Wauters and Lambrecht, 2006) as well as the entrepreneurial drive to be independent (Fong et al., 2007; Sandberg et al., 2018). Former studies show that at the individual level, the impact of successful refugee entrepreneurship is empowering and providing purpose and meaning (Fong et al., 2007; Sabar and Posner, 2013) and can generate more integration (Basok, 1989, 1993; Gold, 1992a, b).

A number of studies have investigated entrepreneurship in challenging institutional environments, such as unstable institutional contexts of borderlands (Welter et al., 2018), institutional voids (Desa and Basu 2013; Khoury and Prasad, 2016; Mair and Marti, 2009) emerging institutional contexts (Gupta et al., 2014), conflict environments (Muhammad et al., 2016) and institutional reconciliation (Mckaguea and Oliver, 2016). The concept of bricolage (Baker and Nelson, 2005; Lévi-Strauss, 1967, p. 17) has been used in social entrepreneurship literature to analyze entrepreneurship in a context of impeding institutional conditions (Desa and Basu 2013; Mair and Marti, 2009) that amplify necessity, in the face of no other alternative to accessing resources (Desa and Basu, 2013).

This paper contextualizes the relationship between institutional voids and bricolage in the domain of refugee entrepreneurship at the fringes of a detention camp for asylum seekers and refugees in Israel, exemplifying an intentional institutional void. Drawing upon the interpretive/social constructionist paradigm which takes into account the processual and situated dimensions of entrepreneurship (Gherardi and Perrotta, 2014), this study employs a qualitative approach, in order to investigate the “why” and “how” of the
entrepreneuring refugees (Steyaert, 2007). Specifically, the paper attempts to answer the question of how refugee entrepreneurs overcome institutional voids, utilizing bricolage. The paper also draws upon the tradition of the “European School of Entrepreneurship” (Gartner, 2013), “giving voice” to “other” entrepreneurs, the less privileged, the ones at the margins of society, the ones who do not belong (Ahl, 2004; Essers and Benschop, 2007; Pio, 2005; Ram et al., 2008). It contributes to the emerging research field of refugee entrepreneurship, reaching beyond the traditional minority entrepreneurship discourse by drawing attention to refugees as a distinct group. The findings of the study support the blocked mobility hypothesis, pointing to the importance of the mezzo level institutional environment. An additional contribution concerns the insight that also personal level motivators and the personal and community impact of entrepreneurship for refugees are very much embedded within and dependent upon the institutional environment. Since coherent theory on refugee entrepreneurship has not yet emerged, this paper can support a first understanding of the phenomenon, and assist in developing theory (Altinay et al., 2014).

Additionally, the paper expands the geographical scope of previous research, which has studied non-camp refugee entrepreneurship mainly within European settings. This study also contributes to the theoretical discourse on institutional voids and entrepreneurship by focusing on a context in which government intentionally shapes an institutional environment to create an intentional void. This extends the current scope of knowledge on entrepreneurship that occurs in challenging institutional environments. Moreover, the paper answers to the call for contextualizing entrepreneurial practices (McKeever et al., 2014), contributing to our understanding of refugee entrepreneurship in the context of a refugee camp, by demonstrating how refugees – within the pressure and constraints of context – initiate entrepreneurial activities via the strategy of bricolage, also creating a market space. Bricolage is particularly valuable to study how entrepreneurs act in institutional voids, since it focuses on the entrepreneur’s perspective of a particular context (Welter, 2011).

The paper’s next section expounds on the context of African asylum seekers and refugees, and the policy of detention in Israel. Second, the theoretical framework is outlined, followed by an introduction to the research site, methodology data and analysis. The findings are presented in thereafter, followed by the discussion and conclusions.

### African refugees and detention in Israel
Since 2005, Africans started to arrive in Israel via its border with Egypt, in the South. Most of them came from Sudan and Eritrea, seeking asylum and refuge in Israel[1]. The arrival of approximately 60,000 East Africans since the second half the 2000s mainly from Sudan and Eritrea has caused a revisiting of the policies and approaches of the Israeli state toward non-Jewish entries, exposing a hitherto underdeveloped asylum system[2]. In line with international law and the United Nations’ call not to deport people to Eritrea and Sudan, the Israeli government granted “group protection” to asylum seekers from these countries, providing them with temporary resident permits (Sabar and Posner, 2013). These permits prevent Eritreans and Sudanese from applying for asylum. Furthermore, they do not receive the rights associated with the official refugee status. Summing up their situation, Raijman and Barak-Bianco (2015) have highlighted that the legal situation in Israel leaves asylum seekers only with the right, “not to be deported,” but prevents them from receiving welfare, social rights or long-term permits to work.

Since 2007, the automatic detention of arriving asylum seekers has become the default course of action in Israel. Detention constitutes the principal strategy of the government in its attempt to control undesired (non-Jewish) migration to Israel. According to the Yearly Monitoring Report of the Hotline for Refugees and Migrants on immigration detention, about 5,000 asylum seekers have been detained for months, or even years (Kovaliyov-Livi et al., 2014a, b). After the Supreme Court of Israel declared that the long-term custody of
migrants in the Sahronim Prison was unconstitutional, the government opened the Holot Detention Camp – the site of this research – in response to the Fourth Amendment to the Anti-Infiltration Law, December 12, 2013. The camp is located in the Negev desert, close to the Egyptian border and 60 km away from Beer Sheba. The facility is surrounded by two tall fences and is operated by the State Prison Authority, but it is not legally defined as a prison. “Inmates” are free to exit its gates during certain hours of the day, but have to report their presence twice a day – mornings and afternoons (Kovaliyov-Livi et al., 2014a, b). Also, and different to any other democratic state, asylum seekers in Israel can be detained after having lived in the country for years. Detention, which hits people without warning, separates them from their lives and often from their families, intended to coerce asylum seekers to leave Israel – and seemingly to other countries where their lives and liberty are at risk[3].

The Israeli government has created complicated legal rules in order to prevent African asylum seekers from receiving the protection to which they are eligible according to international and Israeli law. Moreover, Israel has managed to pressure many to leave the country, using the insecure legal status inflicted by its policy to detain them. Israel’s policies are well epitomized by former Israeli Interior Minister, Eli Yishai who said that as long as Israel cannot deport them to their home countries, it should “lock them up to make their lives miserable” (Simpson, 2014, p. 5). In sum, the country’s policy toward asylum seekers is aimed at deportation rather than integration (Kalir, 2015), including retention along borders, so-called “hot return,” forced geographic allocation and so-called “voluntary” departure which is actually coerced (Raijman and Barak-Bianco, 2015). Israel’s policy is one of exclusion (Kalir, 2015), “making these people illegal,” calling them “infiltrators” (Campbell et al., 2013) and depriving them of a long-term perspective.

**Institutional voids and bricolage entrepreneurship**

The literature on entrepreneurship and institutional voids has enabled us to examine contexts of challenging institutional environments in which existing institutions are insufficient and/or inadequate to guiding actors’ behaviors (Mair et al., 2012). More specifically, institutional voids are defined by Mair and Marti (2009) as “situations where institutional arrangements that support markets are absent, weak or fail to accomplish the role expected of them” (Mair and Marti, 2009, p. 409). Characterized by poorly structured and highly fragmented arrangements, institutional voids often allow powerful actors to exploit opportunities and gain access to resources (Mair et al., 2012) thereby weakening already marginalized groups. In line with these authors, voids are environments in which present institutions are insufficient rather than lacking, suggesting a perspective consisting of many competing institutional arrangements rather than an “empty” institutional space (Mair et al., 2012, p. 822). Institutional voids have also been described as opportunity spaces and as spaces where formal and informal institutions can be reconciled (McKague and Oliver, 2016).

The concept of entrepreneurship bricolage evolved from three main articles – the most cited studies in this emerging field (Harper, 2011). Baker and Nelson (2005) investigated how managers in small knowledge-intensive firms as well as small business owners in a declining mining community utilized problem-solving skills to overcome obstacles and challenges where no new resources were available. Their study focused on the process used by entrepreneurs to come-up with innovative solutions when resources are extremely scarce (Harper, 2011, p. 21). Baker et al.’s (2003) empirical study concerned founders of knowledge-intensive start-ups in the close vicinity of universities, and utilized the concept of bricolage in terms of improvisational skills underlying the entrepreneurial strategy being deployed. The third article that discoursed the concept was published by Garud and Karnoe (2003), who compared technology developers in the wind turbine industry in
Denmark and the US, drawing upon bricolage to explain a path dependency of technological innovations (Harper, 2011).

Baker and Nelson (2005, p. 333) defined bricolage as “making do” by applying combinations of the resources at-hand to new problems and opportunities.” Mair and Marti (2009) elaborated on this definition, maintaining that Baker and Nelson’s (2005) entrepreneurs “make do” with cheap and free resources regarded by others as useless, and make new use of them, finding opportunities and solving problems (Mair and Marti, 2009, p. 423). Bricolage has also been understood as resourcefulness by means of employing resources for novel reasons, an option for firm innovation and growth when resources are constrained (Senyard et al., 2014). Gundry et al. (2011) emphasized that bricolage comprises the creative adoption and manipulation of human, social and financial capital resources to overcome challenges or embrace potential opportunities.

Thus, for example, financial bricolage in terms of accessing small loans has been identified as having a positive impact on firm performance (Kariv and Coleman, 2015). Leading from this, a perspective of entrepreneurship bricolage can be effectively used to help explain entrepreneurial behavior under restricted and challenging environmental conditions of institutional voids. Specifically, Garud and Karnoe (2003), Baker and Nelson (2005), Fisher (2012), Harper (2011) and Welter and Xheneti (2013) maintain that an external environment characterized by limited and restricted resources is the origin for bricolage entrepreneurship. Institutional constraints then lead actors to develop new solutions by combining limited resources and pragmatic actions (Khoury and Prasad, 2016). In penurious environments bricolage entrepreneurship is a refusal to be constrained by limitations imposed by an institutional environment. It is “making do” and improvising in terms of creative problem solving (Di Domenico et al., 2010). Entrepreneurs access and combine resources when taking on novel tasks, by using diverse skills (Davidsson et al., 2017; Fisher, 2012; Heilbrunn and Rosenfeld, 2018). Accounting for the context of this study – refugees entrepreneuring outside a detention camp – Harper’s (2011, p. 98) definition of entrepreneurial bricolage as, “[...] creative problem solving in closed environments where the entrepreneur collects and converts fragments of old products into solutions to new problems” (Harper, 2011) fits the context of this study well. This definition accounts for the “fragmented remnants” which an entrepreneur has collected over time, within the contextual challenges of a very restricted environment. Harper (2011) calls the environment closed, referring to Butler’s (2005) “economic detour” (a separated and restricted market) as the very reason for bricolage entrepreneurship, corresponding with the notion of an institutional void impeding the market participation of particular groups (Mair and Marti, 2009) at a certain time.

Building upon this, it is the paper’s endeavor to investigate how refugee entrepreneurs overcome institutional voids and how, outside the Holot detention camp, they use bricolage to overcome such voids.

Methodology

In December 2015, Hilo Glazer, a journalist of the Israeli daily newspaper Haaretz published a five-page article on a site of market-like activities of inmates of Holot, a so-called “open” detention camp for asylum seekers in Israel, where detainees were engaging in the selling of food and drinks and recreational activities. In March 2016, I visited the site for the first time myself, in order to observe and understand this very particular kind of activity. What I witnessed definitely corresponds with Betts, Bloom and Weaver’s (2015) statement that even under the most challenging constraints, people find ways to engage in creative problem solving. I met entrepreneurial asylum seekers from Africa, inmates of the so-called “open” detention camp in the southern desert of Israel, selling products and services in an improvised market site of tents and huts, deconstructed by the government and reconstructed by the entrepreneurs, a number of times.
Design

A qualitative, multiple case study methodology was adopted for the study (Yin, 2013) using an exploratory design which is especially appropriate as the research questions revolve around the “how” and “why” (Tsang, 2014; Yin, 2013) of entrepreneurship. Accordingly, an interpretivist approach was adopted (Husserl, 1964). Interpretivism postulates that actors’ behavior is influenced by the environment and their subjective perception of the environment; therefore, knowledge and social reality are institutionally and socio-culturally embedded (Willis, 2007, p. 50). It is only by understanding the individual participants of the entrepreneurship market outside of the Holot detention camp that accounting for this very particular social context, including hidden social forces and structures, becomes possible. Thus, epistemologically, the paper attempts to discover the underlying meaning of events and activities of the refugee entrepreneur participants in order to answer the question as to why they act entrepreneurially.

The market space outside the detention camp constitutes the unit of analysis of this study. Between 15 and 20 entrepreneurs were active in the market at the time of this study, with their numbers fluctuating. Essentially, the market is an illegal space; therefore, I was unable to interview government officials regarding their evaluation of the situation. Attempts to contact the prison’s authorities was also unsuccessful. Thus the study relies on eight interviews and direct observations of the market, reflecting the multiple stories’ milieu, case study pattern. I can therefore account for the fact that a variety of social actors are involved in a given situation with different interpretations of it (Perren and Ram, 2004, pp. 89-91), despite interviewing one segment. Furthermore, the collected stories highlight the complexities of the examined social space, allowing for different perspectives to evolve (Perren and Ram, 2004).

Data collection

Typical for case studies, data were collected by different means, integrating objective and perceptual data (De Massis and Kotlar, 2014), thereby enhancing their credibility (Patton, 1990). Data were collected from three main sources to improve the study’s validity and to triangulate (Yin, 2013).

In the first stage of the study, prior to visiting the market site for the first time, I reviewed all the reports published by the NGO Hotline for Refugees and Migrants [4] addressing the refugee/asylum seeker situation in the Holot detention camp. The Hotline is not governmentally funded but receives grants from international and national foundations. Six of the reports published by the Hotline concern Holot and all provided valuable background information and were later also used to verify interview data (Kovaliyov-Livi et al., 2014a; Kuttner and Rozen, 2015, 2016; Rozen, 2015; Simpson, 2014). Additionally, I gathered all media items in Hebrew and English from newspapers and internet sources relating to the market site outside Holot, published between December 2015 and September 2017 [5]. Second, for recruiting interview partners among the refugees who were entrepreneuring outside of Holot, purposeful sampling (Pratt, 2009) was employed. Specifically, I approached the first informant – who was interviewed by Glazer (2015) for the initial newspaper article – asking him to suggest additional names. Based on his intimate-understanding of the particular context I was examining, he suggested additional individuals who would be able and willing to share their experiences. Purposeful snowball sampling has been done before in entrepreneurship research (McKeever et al., 2014), and is appropriate for studying small samples and precarious populations (Barrett and Vershinina, 2016; Ram et al., 2008). Owners of eight businesses [6] were interviewed during the three days non-consecutive I spent at the site. With the interview process ongoing, patterns re-emerged beyond the personal stories of the entrepreneurs. The inclusion criteria for interviewees were: being a Holot inmate and an entrepreneur at the time of the research (March–November, 2016).
All interview participants were able to communicate in English or Hebrew with me, so that translation was not necessary. The interviews were framed by the research questions in terms of the “why” and the “how,” needs and motivation leading to entrepreneuring, “the everyday experiences of entrepreneuring” (Steyaert and Katz, 2004) and the evaluated impact for the entrepreneurs themselves and the other Holot detainees. Interviews were recorded with the permission of the participants. Furthermore, ethical considerations were dealt with by obtaining the informed consent of participants via the first participant, thus allowing them to decline prior to initial contact with me. Additionally, this first participant explained the research’s objectives to potential participants and that interviews would last between one and two hours. The participants were assured confidentiality and anonymity and were approached prior to the interview via phone in order to establish a first acquaintance. I also spent three days of direct observations at the site. Direct observations provide useful insight since they allow for data collection within the natural context of the phenomenon being examined. More specifically, direct observations are “a matter of going where the action is” and systematically recording, describing, analyzing and interpreting the observed (Saunders et al., 2000). In this study, observation was used as supplementary method (Bollingtoft, 2007) in order to identify underlying mechanisms or structures driving actions and events in the market outside Holot. Being white and female, my role was obviously as a complete outsider, interacting with the entrepreneurs without actively being involved. In terms of Saunders’ et al. (2000, p. 223) model, I was an observer as a participant, with the identity of researcher revealed.

**Data analysis**
The analysis of data aligned with the three major themes of the research. First, data had to provide for the argument of the economic detour and intentional institutional void. Reports and media items were analyzed for this purpose. Second, the question why the refugees engaged in entrepreneuring was investigated based on interviews and reports and finally interviews and observations provided answers to the “how” question[7]. Table I summarizes the above.

For data analysis, an abductive mode of interference was used. Starting out with a theoretical framework was important in order to interpret the situation at the site but applications of the theoretical concepts were modified throughout the data analysis process when the interrelatedness of various important elements of the research work emerged (Dubois and Gadde, 2002, p. 555). For answering the “why” and “how” questions, analysis of the data proceeded simultaneously with ongoing data collection, interlaced with interviews and observations as they were being carried out over a nine-month period (Miles et al., 2014). Data reduction involved selecting, focusing and editing the material and went along with the iterative process of interviews and observations. Interviews were transcribed verbatim, followed by the mapping of evolving themes from the conversations with the entrepreneurs and my own observations. Data analysis was based on triangulation as a method of cross-checking data from multiple sources (O’Donoghue and Punch, 2003, p. 78). Through data triangulation, interview data and themes were first pattern matched with published report data, published media data and observations (Denzin, 2006) according to the theoretical framework and to bolster validity. Second, data from each of the data sources were analyzed.

<table>
<thead>
<tr>
<th>Theoretical underpinning</th>
<th>Data sources</th>
<th>Table I. Rationale of data analysis</th>
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<tbody>
<tr>
<td>Context</td>
<td>Economic detour and institutional void</td>
<td>Reports and media items</td>
</tr>
<tr>
<td>Why</td>
<td>Emerging needs</td>
<td>Reports and interviews</td>
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<tr>
<td>How</td>
<td>“Bricoleuring”</td>
<td>Interviews and observations</td>
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Refugees bricoleuring in the void
in detail and then key themes were sorted accordingly. Finally, I triangulated the totality of the study’s data across sources, focusing on findings that were supported by more than one source. The triangulation of interviews with reports and observations was especially important, so as not to fall into the trap of advocacy research (Jacobsen and Landau, 2003).

Findings

The context

In line with the government policy described earlier, rules and regulations at Holot are aimed at narrowing the detainees’ economic possibilities in all areas of their lives (Kovaliyov-Livi et al., 2014a, b, p. 15). Detainees are forbidden to work outside the detention camp (Kovaliyov-Livi et al., 2014a, b, p. 16; Kovaliyov-Livi and Rozen, 2014, p. 3; Kuttner and Rozen, 2016, pp. 12, 34; Rozen, 2015, p. 8).

At the beginning of their detention, many of the African asylum seekers still had some savings from working in South Tel Aviv, but following the reports of the Hotline for Refugees and Migrants, after some time, they usually needed to rely on the meager 16 NIS per day allowance they received (Kuttner and Rozen, 2016, p. 34; Rozen, 2015, pp. 30-34). To put this into perspective, the price of a one-way bus ticket to Beer Sheva, the closest city where one can buy food, hygienic articles and seek medical assistance is 19.30 NIS. Thus, the daily allowance is extremely insufficient in satisfying detainees’ basic needs.

Compounding this, employment opportunities within the Holot camp are severely limited and underpaid – 12 NIS per hour, mostly for cleaning, kitchen work, laundry services and other unskilled tasks. Whereas Israeli authorities claim that residents are generally unwilling to work, the residents state that they are afraid to work since they might then be labeled as migrant workers, a label that would endanger the rightfulness to apply for asylum. Residents are subject to a roll-call twice a day, thus restricting their travel outside of the immediate area of the facility. The “open” facility is closed at night (Kovaliyov-Livi et al., 2014a, b, p. 6; Kuttner and Rozen, 2016, p. 12). Any leave of absence (even if permitted by the camp authorities beforehand) causes a reduction in a detainee’s allowance, which is also used as arbitrary and unpredictable sanctioning for actions deemed punishable. Thus, following published reports, many detainees receive less than the 160 NIS they are supposed to get every 10 days.

As a result, the Holot detention camp is definitely a representative case of institutional voids in terms of impeding market participation (Mair and Marti, 2009, p. 422) with detainees prevented from working outside the camp and with only limited, if any, access to work within the camp. The situation can be described in Butler’s (2005) term of “economic detour” – a separated, restricted and a closed market, leaving people with barely enough resources to survive.

However, the human spirit is one of resilience and purpose, evidenced from the bustling entrepreneurial activity of Holot’s detainees. In the face of social, economic, cultural and legal constraints, their motivations for engaging in what is effectively illegal business and work activity can be summed in Table II, drawing upon interview data and published reports.

Lack of adequate food, lack of hygienic products, lack of recreation and lack of meaning are all resulting from the intentional institutional void and economic detour that exist within the Holot detention camp. In line with the literature, it is within the pressure and constraints of context that refugees initiate entrepreneurial activities to create a market space. Walking around the site, it was obvious that there was not much diversity in what was being sold in the makeshift stands, but that the flair of multiculturalism prevailed. There were wooden cabins, with walls of desert tangle, reminiscent of typical cabins in Darfur. Eritrean and Sudanese entrepreneurs and their clients communicated among one another in Hebrew, English or in their respective mother languages. Especially in the afternoon, detainees left the camp’s confines and came to eat, drink and wonder around at the pop-up market site,
spending as little money as they could, so as to be able to come as often as possible. Overall, the findings reveal that motivations of the entrepreneurs were to overcome insufficiencies and absences such as lack of adequate food, hygienics, as well as psychological and social security. In the following the ingredients of the concept of bricolage as explained before are used to organizing the data representation.

<table>
<thead>
<tr>
<th>Lack of</th>
<th>Interviews</th>
<th>Reports</th>
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<tr>
<td>food</td>
<td>Toni: “I never went to sleep hungry in Saharonim (prison), but go to sleep hungry every night in Holot”. Adam: “Many of my fellow inmates get sick all the time because they can’t get along with the food served inside”</td>
<td>“Testimonies by Holot detainees indicate a great deal of criticism about the food served in Holot […] The quality of food given to Holot detainees directly affects their mental and physical states, is not enough to meet basic needs, cascading down to how often they get sick and with what ailments and causing even more problems for the IPS when their ailments must later be cared for” (Rozen, 2015, p. 30)</td>
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<td>hygienic products</td>
<td>Amar: “[…] we help ourselves. I mean, we cannot consent with the fact that there is not enough soap on time, can we?” Tekele: “When I need a comb for example or a toothbrush, it’s all about waiting and queuing. I have no patience for this and I don’t want to wait for days until I can get them”. Momo: “Even if I am an inmate, I want to choose my shampoo; I mean that is basic, isn’t it”</td>
<td>Reports confirm that although over the years a slight improvement in providing products and services to detainees can be observed, there is still an overall shortage of things like soap, shampoo, etc. (Kuttner and Rozen, 2016)</td>
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<td>recreation</td>
<td>Halas: “If you are all day in a room and do not do anything, you can’t sleep at night. That is why I get up in the morning, go by bus to Beer Sheva […] When you do stuff the time goes by.” Taki: “People are getting so bored inside, I am always telling my friends, you have to do something, go run around the camp, get up. It is not good for your mood to do nothing for days and days” Adam: “We tried to organize classes; I even got a Hebrew teacher from an NGO. It was difficult but in the end a couple of detainees attended. Also some art projects were organized by NGOs. But in the end there are about 3000 inmates and only few can take part”</td>
<td>“Within the limited space allotted to them, detainees have trouble keeping themselves busy. Other than a sports field and television there are no recreational activities, nor access to books, newspapers and internet. […] Thus far, the classrooms in the facility are opened irregularly and all educational activities are arranged by the detainees without any cooperation from the prison authorities” (Kovaliyov, 2014, p. 18) Reports highlight the lack of recreational activities (Kovaliyov and Rozen, 2014, p. 24; Kuttner and Rozen, 2016, p. 27; Rozen, 2015, p. 37)</td>
</tr>
<tr>
<td>sense and meaning</td>
<td>Ahmed: “I feel much better outside the camp. Inside, I am afraid that I will go crazy thinking about my family all the time” Soho (he is a refugee from Darfur and a client): “I try and come here as often as I can, since it makes me feel a little better. I am so depressed inside, waiting for nothing, here I feel a little alive”</td>
<td>A lack of employment, inactivity and boredom cause many asylum seekers in the camp to feel hopelessness, despair and distress (Kovaliyov-Livi et al., 2014a, b, p. 33)</td>
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Table II. Reasons for entrepreneuring
Making Do. Findings related to the “how” of refugee entrepreneurship draw upon bricolage. “Making do,” as a part of bricolage, includes the acquisition and combination of resources when taking on novel tasks by using diverse skills. A good example is the restaurant of Adam and Tekele which is geographically and socially located at the center of the market. “We calculated the risks of establishing a food stand selling adequate food to inmates outside the camp […] We came to the conclusion that when organizing the rides to Beer Sheba to buy meet and other products needed together, we can manage with the expenses and even buy some chairs and tables.” Both had no former experience with setting up a business or cooking.

Taki is a resident of Holot who pays rent to another entrepreneur who claims ownership over a number of stands. He sells tea and coffee for 5 NIS. Despite him not interacting much with his environment he still offers the desired product and service. “I earn about 60 NIS a day, which I use not as income but in order to buy food outside here at the site – because the food inside gives me stomach aches.” Most of Taki’s clients come in the morning “because there is one jar of drink for 10 rooms (inside) and there is a long queue, so instead of waiting for an hour they come here. I got myself the necessary equipment at a second-hand market in Beer Sheba and started to sell […] I get up really early and prepare everything, at noon I am done.”

Toni caught a good location for his Injara[8] “restaurant” which is very popular with the residents: “I managed to get a great location for my restaurant which is right in the middle of the market and can be seen and reached from all directions. I arranged tables and chairs and people like to sit, eat my food and hang around. [...] I get up every morning really early and leave the camp as soon as the doors open; I take a taxi to Beer Sheba. Because I am going every day, the Bedouin taxi driver gives me a special price. I am actually thinking about asking him to bring me the meat directly and make him a kind of partner. I still don’t know whether I can trust him and I also need to negotiate this with the place where I usually buy the meat in Beer Sheba.”

Hallas operates a “gym” selling monthly “membership” to use the equipment (sets of dumbbells and jumping ropes) for 50 NIS and prepares work-out schedules for his members. He, himself, is dressed as a trainer and explains the importance of physical workout to his fellow detainees. “If you sit around and sleep all day, you get easily depressed, and that is very bad. We have to keep our spirits up, be active.” He added, “I knew I would not make it mentally without doing something useful. I am not that kind of person who can sit around all day. So, I combined what I am good at with what the others need and came up with the sports idea. I think I am doing something useful for many others and also make a little money so that I can buy myself food and other stuff outside the camp.”

Momó: “I wanted to make some money, at least partly as much as I earned when working in Tel Aviv, so I thought about this idea [...] I thought that a pool table would be a really good idea to keep people busy for rather a long time. I went to Tel Aviv and found out that a second-hand pool table would cost about 8000 NIS, not including transportation. I took a loan from two friends. Based on my calculations I knew that I would be able to pay them back in about 3 months, including interest, if I charged 20 NIS an hour”. All the above are examples for “making do” of bricolage, showing the acquisition and combination of resources when taking on novel tasks by using diverse skills.

Resisting environmental and institutional constraints. In the early morning hours, only the entrepreneurs can be seen at the market, as they get busy preparing for the new day. Bedouin taxi drivers gather next to the market at that time too, since there is only very sporadic public transport. They have negotiated prices and the atmosphere gets rather frenetic. After about 30 min into the morning’s activities most taxis are taken and gone. Adam and Jonny collaborated with NGO workers who assisted in organizing taxi services
and determining stable prices. It is via this collaboration, that they manage to overcome the transportation constraint which – would there not be some intervention to control the prices – could easily become a major obstacle for the entrepreneurs’ activities:

Jonny: “I am selling chicken wings with salad using spices from home. I am working together with a friend who sells soft drinks and beer. One of us takes the taxi trip to Beer Sheba every other day.” “We are not allowed to take what is left at the end of the day into Holot. Therefore, we started to save money in order to buy a second-hand fridge box which can be locked and anchored somehow in the ground, so that we will be able to store the drinks at least for two or three days.” Jonny is actively looking for a solution to this very practical problem resulting from institutional constraint.

Momo’s business was working well and he managed to make profit during the first months. But then his pool table was damaged in one of the authority’s destruction initiatives but he repaired it and continued. “This is so annoying and it happened to me two times – they just come and destroy our stands with tractors and everybody knows we will reinstall them.” Momo, like others as well, is aware of the option that the authorities will launch “deconstruction” raids but his mind is all set to reconstruct, he will not give in. With his release in October 2016, Momo repaid the loan to his friend and he sold the business to another friend who was scheduled to stay at Holot for another nine months. Adam, Jonny, Momo and his friend exemplify resisting institutional and environmental constraints that actually lead them to develop new solutions by combining limited resources and pragmatic actions.

Improvising through creative problem solving. The coffee shop at the end of the site is actually a table cloth on a piece of wood on the sand. Ahmed left his wife and child in Darfur where he worked in a steal factory. He serves tea and coffee for 4 NIS with a biscuit next to it for free (Glazer, 2015). “I do keep myself busy and manage to make a little money so that I can continue to send very small sums to my wife. I have very little money, so I juggle and buy some biscuits and sell the tea and coffee for a very low price. I was never very good with people but now I have no choice, have I? So now I try and socialize as much as I can.” Ahmed is trying to adapt to the situation, creatively juggling the very few resources he has.

Amar managed to establish a good relationship with a Bedouin taxi driver and proposed to buy soaps and shampoos from him for a cheaper price. Since the taxi driver comes to the camp every day, Amar partly overcame the problem of nightly storage for his products.

Summing up the findings, Adam and his entrepreneurial friends combine resources (i.e. taxi driving), take calculated risks, identify needs (selling coffee and tea at the right hours), negotiate locations (Toni), using diverse skills. Transportation to Beer Sheba is a crucial issue for all entrepreneurs at the market, since they are not able to store goods and since travel costs are an essential part of their business calculations. Therefore, dealing with their transportation restrictions, the entrepreneurs recruited NGO staff to help establish fixed taxi prices, enabling cost calculations. Also, the need to re-construct business stands after they have been destroyed by the local municipality provides an example of resisting institutional constraints. In line with Harper’s (2011) definition of bricoleage, the entrepreneurs collected and re-collected fragmented remnants throughout their time as inmates in Holot and between de-construction events. Improvisation – in terms of creative problem solving – is constantly interlaced within the entire process of entrepreneurship, as exemplified by Amar’s cooperation with the taxi driver as his supplier.

“Bricoleuring” at the market concerns social activities as well. Conflicts – often a result of a great amount of stress at the market site (see also Kovaliyov-Livi and Rozen 2014, p. 21) are usually handled by the entrepreneurs who have experience with these kinds of situations. As Halas explained, “Well, I am also a kind of social worker, I know how to
handle the tension and anger of my friends and try to make them work out, as hard as they can, to reduce their frustration.” Adam is well connected with Israeli NGO staff and journalists engaged with the refugee community in Israel. He took it upon himself to be the “voice” of the detainees in general and of the entrepreneurs in particular: “I am using my language educational skills (he is university educated) to connect individual detainees who need assistance with the NGO people and also to promote our interests via the authorities.” Sometimes Adam has recruited his friend Ahmed from Sudan to help others with the translation of documents into English or Hebrew (from Arabic) and Ketera from Eritrea for translations from Tigris. Both earn a little money for these services, with Adam negotiating the price depending on the urgency of the documents and the ability of clients to pay: “Sometimes I pay myself for them, so that Ahmed or Ketera get a little money. Not always do I get the money back in the end, some detainees just do not have enough.” These activities take place at the market, which is perceived by many of the detainees as a public space, away from the eyes of the authorities who are ever-present inside the camp.

Discussion

Walking around the entrepreneurship market in the Negev desert, seemingly in the middle of nowhere, one definitely gets a sense of what “refusal to be constrained by economic detour” actually means. Outside the Holot detention camp, it is via bricolage that entrepreneurs address the economic detour in the unique context of an intentional institutional void. At a place which is designed to make asylum seekers leave Israel by coining them “infiltrators” (Campbell et al., 2013) and by “making their lives miserable” (Simpson, 2014), bricoleurs attend to their own and the needs of fellow detainees, providing goods and service and a community space. In line with the literature (Dacin et al., 2010; Davidsson et al., 2017; Di Domenico et al., 2010; Fisher, 2012; Stephan et al., 2015), the void is the reason why they are entrepreneuring. Additionally, for many, the entrepreneurs give their lives meaning that nevertheless is suspended between destruction and despair. The “open detention camp” is in itself an oxymoron (Glazer, 2015): a place of infinite sadness. Nonetheless, the entrepreneurship market outside the camp is a space of mutual responsibility, solidarity and generosity. Following Gaddefor and Anderson (2017), the market is an entrepreneurial milieu, a place where bricolage entrepreneurship is taking place. The initiators of this space exhibited more engagement and appeared to be less depressed than other detainees (see also Glazer, 2015 and Rozen, 2015). The findings of the multiple stories milieu case study exemplify the features of bricolage entrepreneurs (Baker and Nelson, 2005; Davidsson et al., 2017; Harper, 2011; Stenholm and Renko, 2016). Following Desa (2012), it is possible to state that for these entrepreneurs, bricolage is probably the only possible strategy within such an extreme institutionally restricted environment and in line with Mair and Marti (2009, p. 420) the entrepreneurs exemplified sense-making and the inherently political nature of bricolage.

Above and beyond “making do,” improvisation and a refusal to being constrained by limitations imposed by an institutional environment (Di Domenico et al., 2010), “bricoleuring” here includes making sense of one’s situation by entrepreneuring as an emancipating process (Kindova et al., 2009), creating a plausible narrative, an active doing under totally impeded social and economic circumstances (Al-Dajani et al., 2015). Doing something provides “opportunities to express the self, to create an identity” and any context that denies participation in occupation threatens the maintenance of identity (Christiansen, 1999, p. 552). Thus, echoing refugee women from Burma engaged in traditional weaving in order to keep a sense of identity (Stephenson et al., 2013), Adam and his friends engage in bricolage entrepreneuring not only to make a living but also in order to make sense of their situation, themselves and others.
Additionally, bricoleurs’ actions in the market are inherently political since they negotiate detention reality by constructing an alternative (Mair and Marti, 2009). By providing for the needs of fellow detainees, the entrepreneurs make their lives a little less miserable, thereby deliberately or not, undermining the government’s detention intentions to “make them leave.” Thus, refugee entrepreneurs at the Holot market exemplify Verduyn et al.’s (2017) postulation, that entrepreneurship is “re-conceptualized as a social change activity that moves against the grain of orthodoxy in order to realize spaces of freedom and otherness” (Verduyn et al., 2017, p. 2).

In this unique context, bricolage addresses the economic detour of the intentional institutional void by providing necessary goods and services and at the same time creating a space of communal gathering, giving sense to the lives of the entrepreneurs as well as to camp detainees. It is an example for resisting institutional constraints via quasi political action – time and again setting-up what has been destroyed by authorities.

**Conclusion**

The subject of refugee entrepreneurship has mainly been investigated in western contexts such as Belgium (Wauters and Lambrecht, 2006, 2008), the UK (Sepulveda et al., 2011), the USA (Fong et al., 2007) and Canada (Roth et al., 2012), among others. These studies did not report about intentionally created institutional voids established by institutional players that are aimed to discourage refugees from entrepreneuring. In currently published cases, some institutional arrangements that provide for the needs of refugees exist, either via social security payments, labor market integration or legal pathways to self-employment. In contrast, this paper contains a distinctive lens of investigating refugee entrepreneurship within a unique contextual environment. The Holot detention camp provides a site to understanding how refugee entrepreneurs overcome institutional voids by drawing upon bricolage.

The study contributes to a more multi-dimensional understanding of refugee entrepreneurship – a recently emerging field, still in need of a coherent theoretical framework: first, the findings of this paper support the statement that refugees – comparatively to migrants and minorities – confront considerable and additional market entry barriers, when attempting to start a business. Second, while the blocked mobility hypothesis used in previous studies is supported, this study points to the importance of macro and mezzo level characteristics of the institutional environment in form of national and local municipality agents. An additional contribution concerns the insight that personal level motivators of the refugees are very much embedded within the institutional environment. Refugees at Holot know that their situation is temporary, therefore issues of social and economic integration are not as acute. Entrepreneurship is more focused on creating a social space and sense-making. Thus, also the impact of refugee entrepreneurship is very much context dependent.

Additionally, the paper extends our theoretical knowledge by demonstrating that the entrepreneurial bricolage of African refugees in Holot is a societal as well as an economic and political phenomenon, accounting for the complexity of dynamics at work within the emerging entrepreneurial space (Verduyn et al., 2017; Hjorth and Steyaert, 2009). Furthermore, the paper enriches the theoretical base of minority entrepreneurship by adding bricolage to the set of possible explanations of minorities’ entrepreneurial behavior (Harper, 2011) which has been overshadowed by the ethnic minority entrepreneurship approach. The theory of entrepreneurial bricolage expanded the understanding of Holot detainees’ behavior, and therefore, the presented data enhances the legitimacy and authority of the theory, applied in the framework of minority and refugee entrepreneurship. Moreover, the study extends existing knowledge of bricolage entrepreneurship by stressing that “bricoleuring” is also and very much about providing meaning and making sense of one’s life – a line of thought which would greatly benefit from future studies.
Implications for policy and practice are limited, since at least in Israel, there is no interest in fostering refugee entrepreneurship as the overall goal is to “make them leave.” Nevertheless, the study increases our knowledge of what it means for refugees to be entrepreneurs in resource constrained environments. This knowledge is relevant for policy makers and practitioners wherever refugees are. NGOs supporting refugee entrepreneurs should acknowledge the dynamics of interactions between refugee entrepreneurs and local populations, being aware of potential conflict. Policy makers should be aware of the added value of refugee entrepreneurship in terms of sense making and space creation, providing some, if only limited, normality for refugees. The advantage of cooperation and collaboration might be the main recommendation to refugee entrepreneurs themselves.

Clearly this study has limitations. The research approach is highly suitable for exploratory research which examines a novel and contemporary phenomenon (Henry and Foss, 2015), such as this one, but it does not provide generalizable results. Triangulation that compares, matches and analyzes three sources of data was employed so as to increase the reliability of research findings. The fact that I worked independently, without a fellow-researcher on this project, presents an additional limitation.

Furthermore, the six-month study period is quite short in duration, thus future, longitudinal research could help better capture not only the dynamics of the people in their entrepreneurial space as well as the entrepreneurs’ lives, once they are released from the camp. Finally, the study was limited to entrepreneuring detainees at Holot, and a future study that also qualitatively engages with other actors of the entrepreneurial space, such as clients and collaborators, would enhance our insights into the strategies employed for entrepreneurship.

There is much to be explored in the field of refugee entrepreneurship since the phenomenon of refuge, its antecedents and consequences for all stakeholders involved is an essential part of today’s social reality. Further research is needed in comparing and contrasting different environments. The field also calls for the development of a coherent theory that also analytically accounts for similarities and differences between refugee, migrant and minority entrepreneurship within their relevant contexts.

Notes
1. The term “asylum seeker” is usually reserved for those who have applied for asylum and are awaiting a decision on their applications and those whose applications have been refused. The term “refugee”, on the other hand, usually designates those who, having applied for asylum, have been granted recognized refugee status within a host country. In addition, this status usually encompasses those who have received “exceptional leave to remain” or “indefinite leave to remain” (now included in the term “humanitarian protection”) (Aspinall and Watters, 2010, p. 17).

2. For an overview on the legal issues concerning migrants and refugees, see Yacobi (2010) and Paz (2011), as well as Kuttner and Rozen (2016).

3. On February 8, 2016, the Knesset enacted legislation, adding a new amendment to the Anti-Infiltration Law which complied with the Court’s decision that detention would be limited to 12 months. Detention for 12 months is mandated under the 2016 Anti-Infiltration Law, after three previous versions of the Law (2012, 2013, 2014) were struck down by the High Court of Justice due to its disproportionality. See http://hotline.org.il/en/refugees-and-asylum-seekers-en/ for an explanation of the legal history of the law.

4. “The Hotline for Refugees and Migrants (HRM) was founded in 1998 as a non-partisan, not-for-profit organization to defend the rights of migrants and refugees in Israel and to combat human trafficking. The HRM assists vulnerable individuals, particularly those held in immigration detention, to uphold their rights. By combining client advocacy with impact litigation, policy
initiatives and public outreach, we aim to achieve broad-based, systematic improvements in policies and practices ensuring that the human rights of migrants in Israel are respected" http://hotline.org.il/en/refugees-and-asylum-seekers-en/.


6. Since only about 15–20 people are engaged in entrepreneurship at the site, even providing basic details, such as age, country of origin, length of stay in Israel and Holot will expose interview partners’ identities. Therefore it is not possible to provide basic demographic information.

7. It is important to mention that this separation is, to a certain extent, of analytical necessity, keeping in mind the “story” of the market situation.

8. Injara is a national dish in Ethiopia, Eritrea, and Somalia.

References


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Understanding refugee entrepreneurship incubation – an embeddedness perspective

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Abstract
Purpose – Recent years have seen a wave of immigration in western countries. Entrepreneurship can foster refugees’ integration in the labour market. Hence, the authors observe an emergence of incubators with social purpose, addressing the key challenges of refugee entrepreneurs. The purpose of this paper is to look at the particularities and the impact of business incubation on entrepreneurial development and embeddedness of refugee entrepreneurs in the host country by applying the theoretical lens of mixed embeddedness theory.

Design/methodology/approach – This paper is based on a qualitative case study approach exploring one business incubation model for refugee entrepreneurs in Germany. For a multi-stakeholder perspective, the data were collected through a participatory focus group workshop and semi-structured interviews of refugee entrepreneurs and incubator stakeholders (e.g. incubator management, mentors and partners) contributing to the incubation. The data collection extends over the duration of five months of the incubation programme.

Findings – The empirical results emphasise the impact of the business incubator on refugee entrepreneur’s development and embeddedness. In this analysis, the authors identify key themes of a particular incubation process addressing the lack of embeddedness and barriers to refugee entrepreneurs in the host country. From the results, the authors elaborate a particular business incubation process framework of refugee entrepreneurs.

Originality/value – The findings enhance the understanding how business incubation contributes to the embeddedness of refugee entrepreneurs in their new hosting environment. Thus, this research contributes to the existing literature by extending incubation model frameworks towards refugee entrepreneurship and embeddedness perspectives. Furthermore, the study emphasises the role of the incubator in the context of the dimensions of the mixed embeddedness of the refugee entrepreneurs.

Keywords Immigrants, Business development, Entrepreneurship, Networks

Paper type Case study

1. Introduction
In the last few years, western countries have experienced a high rate of immigration and been challenged to find ways to integrate refugees, displaced people and other migrants in their host societies (European Commission, 2016). Hence, the entrepreneurial activities of these newcomers could be a solution to tackling the necessity to fit into the labour market and to start over again in the host country. Moreover, the creation of new ventures offers opportunities for the economic development of the host country (Global Entrepreneurship Monitor, 2016). Recent research emphasises that newly settling refugees experience difficulties within their career development. Particularly, there is a gap in the economic integration process, due to flight-associated disadvantages and detrimental conditions such as a traumatic flight experience, education and qualification recognition as well as the reception in the host society (Bakker et al., 2017; Obschonka et al., 2018).

Taking these factors into account, we observe a recent new generation of evolving and innovative organisations such as social start-ups, accelerators and incubators, which are actively addressing refugees’ needs in their business models, in order to contribute to their integration. These social ventures thereby embed their mission in creating social value by providing solutions to a social problem (Dacin et al., 2011). Specifically, accelerators and incubators can affect the entrepreneurial process of immigrants and refugees engaging in early-stage entrepreneurial activity. Extant literature on incubation models agrees that
participation in an incubation or acceleration programme can be a success driver of early-stage ventures (Pauwels et al., 2016). A past academic research stream has focused on important factors and descriptions of incubator facilities. Business incubation features affect entrepreneurial development and enhance firm performance and survival by providing resources, services, networks, business training and mentoring (Peters et al., 2004; Ayatse et al., 2017). One common value proposition of incubators lies in the enhancement of networks and the creation of relationships in the ecosystem. These relationships can be defined as the social capital of a company or an entrepreneur, and they have been found to correlate with entrepreneurial success (Bandera and Thomas, 2017). Taking this notion into account, immigrants and refugees differ from native entrepreneurs, as they are simultaneously embedded in economic action, social networks and the cultural norms, values and institutional environments of their home and their host country (Granovetter, 1985; Ren and Liu, 2015; Bagwell, 2018). Inadequate knowledge about a host country’s culture, norms, values and political and business environment can lead to a lack of embeddedness in private and professional networks as well as economic action of the host country, especially at the point of arrival (Ulrich et al., 2017).

To make incubation an effective tool for (refugee) entrepreneurs’ early-stage entrepreneurial activity, design dimensions of the incubator need to be contextualised systematically regarding their specific requirements in the entrepreneurial process (Theodorakopoulos et al., 2014; Kohler, 2016; Pauwels et al., 2016). Research has identified different types of incubators in terms of organisational structure, objectives and service designs (Aernoudt, 2004). However, to date, little attention has been paid to business incubators addressing refugee entrepreneurs’ key issues and specifically supporting their integration by enhancing their embeddedness in the host country. Therefore, with this study we aim to develop an understanding of the underlying business incubation process with regard to the social network and embeddedness literature, as well as the incubator’s impact on refugees’ entrepreneurial activities and development, by also explaining the refugee incubator model as a new archetype of an incubation model. Furthermore, our research intends to understand a business incubation model addressing refugee entrepreneurial challenges and embeddedness in the context of venture creation in the host country.

In order to address the research gaps, we focus on the major lack of embeddedness and barriers faced by refugee entrepreneurs affecting the incubation model and refugee entrepreneurial development, and we also explain the particularities of the business incubation process relating to refugee entrepreneurs. Therefore, we focus on the following research questions:

**RQ1.** How does a business incubator affect the early-stage entrepreneurial activities and development of refugee entrepreneurs?

**RQ2.** How does the business incubation model contribute to the embeddedness of refugee entrepreneurs in the host country?

Given the novelty of the phenomenon of refugee entrepreneurship and the scarcity of scientific literature on refugee incubation, our qualitative research is based empirically on an explorative case study of participants in and stakeholders of a business incubator, concentrating on refugee entrepreneurs in Germany to answer these questions. To gain in-depth knowledge and understand fully the particularities of the incubator and the incubation process in this context, we employ a multi-stakeholder analysis by collecting qualitative data on refugee entrepreneurs as well as incubator stakeholders such as management, mentors and external partners contributing to the incubator (Hackett and Dilts, 2004; Pauwels et al., 2016). This enables a multi-stakeholder perspective on the phenomenon. In addition, our research introduces the theoretical lens of mixed embeddedness and social network theory (Kloosterman, 2010; Aliaga-Isla and Rialp, 2013;
Bizri, 2017). By doing so, we aim to contribute to the existing business incubation and refugee entrepreneurship literature by identifying the key themes of the incubation model addressing incubatees’ needs. Second, we develop a theory-based framework that explains the particularities of refugee entrepreneur business incubation from an embeddedness theory background. Third, we gain insights into the process of entrepreneurial co-creation and the collaboration of incubatees and other stakeholders as part of early-stage ventures’ integration into the host country.

The paper starts with a review of the business incubation literature and the refugee entrepreneurship literature. It then provides an overview of our theoretical lens of mixed embeddedness theory that contributes to our understanding of the particularities of business incubation in the refugee and migrant entrepreneurship context. Next, we describe the methodology we employ for our empirical study, and then we present its results in light of mixed embeddedness theory. We discuss our results further by mirroring them with the underlying concept of our theoretical lens and contrasting them with other findings. In the conclusion, we summarise our findings with respect to expected contributions and implications for research and practice, before illustrating the limitations of our study.

2. Theoretical foundation

2.1 Business incubation

Business incubation can be described as a model used by organisations or mechanisms to provide incubation services and support to a portfolio of entrepreneurs or start-up companies, in order to increase their probability of survival and accelerate their development (George and Bock, 2011; Pauwels et al., 2016). Research has shown that business incubation affects the entrepreneurial process and enhances firm performance and survival rates by providing resources, services, networks, business training and mentoring (Peters et al., 2004; Ayatse et al., 2017). The business incubator therefore seeks to provide its incubatees with a “strategic value-adding intervention system” of monitoring and business assistance (Hackett and Dilts, 2004; Bruneel et al., 2012). Over the last few decades, business incubators have evolved somewhat, and different generations of incubator models have grown due to changes in participants’ needs and the supply of business incubation services. While the first generation of incubators mainly provided early-stage ventures with physical and financial resources, as well as rental services such as office space facilities, a more recent generation of incubators adopts its value proposition in regard to the evolving needs of the participants (Hackett and Dilts, 2004; Phan et al., 2005; Bruneel et al., 2012). Thus, incubation models nowadays focus increasingly more on the provision of intangible value-adding services such as market opportunities evaluation services, product development support and access to knowledge, experts, networks and entrepreneurs (Soetanto and Jack, 2013; Pauwels et al., 2016). In this context, incubation management takes an intermediary role in facilitating the development of participants’ social and business ties while also linking the incubatees with peers along with incubator management and external stakeholders of the ecosystem (Apa et al., 2017).

The emergence of the accelerator model of the last few years is a further example of the evolution of the incubation model recently focusing more and more on intangible knowledge and network creation services, without the supply of physical resources. The accelerator is related mainly to the characteristics of traditional business incubators, but its model differs in its configuration and strategic focus (Hackett and Dilts, 2004; Brown and Mawson, 2016). While incubators target the development of new firms and seek to assist start-ups in their early-stage phase, accelerators typically concentrate on accelerating the growth of existing and more established firms with high growth potential, such as high-potential tech start-ups and new technologies (Pauwels et al., 2016; Brown and Mawson, 2016). In order to drive fast growth and rapid progress, acceleration models additionally differ in terms of a shorter
limited time scale for the programme as well as the type and delivery of assistance. In comparison with a more classical incubation model, which includes shared services and accommodation as well as assistance with R&D funding and searching for seed finance undertaken by full-time incubator professionals, the accelerator often provides seed investment and expansion capital in exchange for equity, with the objective to create investment-ready businesses for ensuing funding rounds. The accelerator’s additional assistance in the form of innovation support and leadership development is thereby outsourced mainly to private-sector consultants, experts and entrepreneurs within the ecosystem (Brown and Mawson, 2016). Furthermore, it offers a competitive peer-to-peer environment, the high inclusion of mentors in the entrepreneurial process and intense networking activities and opportunities (Miller and Bound, 2011; Cohen, 2013).

A diverse range of incubation and acceleration mechanisms and models is introduced and employed by various types of organisations (such as private investors and venture capitalists, corporates, research institutes, universities, etc.). Research classifies these types on the variety of distinguishing characteristics, such as industry sector, strategic objectives, type of start-up, supplied services or intervention in the entrepreneurial process (Bruneel et al., 2012; Barbero et al., 2014). Aernoudt (2004) highlights the categorisation between non-profit and for-profit organisations. In the public sector, incubators mostly take the form of non-profit organisations and are comprehensively perceived as tools for regional development. In this context, the incubation and acceleration programs of most advanced economies are rather operated and funded historically by the public sector (Brown and Mawson, 2016). Thus, the majority of business support and assistance is provided by the public sector, thereby emphasising organic growth and public financial resources. In comparison, incubators and accelerators of the private sector mostly appear as for-profit organisations providing advice, guidance and networks from experts within the industry, that tend to be used as a high-risk investment model while supporting high-potential ventures with venture capital (Aernoudt, 2004; Pauwels et al., 2016; Brown and Mawson, 2016).

More recently, scholars have observed the new emergence of so-called social ventures and social incubators seeking to have a social impact by addressing social and environmental issues while fostering social innovations (Alvord et al., 2004; Dacin et al., 2011; Nicolopoulou et al., 2017). These social ventures take a hybrid organisational form by following a social mission and relying on commercial business practices (Battilana and Lee 2014; Doherty et al., 2014; Santos et al., 2015). The social incubator is particularly driven to achieving a combination of social and economic outcomes to perform a social function. Within the social incubation model the incubator focuses on start-ups also addressing a social issue or directly targeting minorities such as refugee entrepreneurs (Dacin et al., 2011; Nicolopoulou et al., 2017). Even though the trend for social entrepreneurship has attracted interest in the last decade, no developed body of literature exists that focuses on social incubation models, especially those supporting refugee or migrant entrepreneurs. Research agrees that the individual needs of each incubatee vary depending upon context factors such as personal and organisational factors, objectives, previous experience and the local business environment. These factors lead to various incubation models and outcomes (Hackett and Dilts, 2004; Hannon, 2005).

Taking this into account, scholars have shifted towards understanding the incubation process, particularly collaboration and learning, beyond the structure of the incubator (Karatas-Ozkan et al., 2005). The incubation process can be distinguished in the process of minimising the failure rate of small- and medium-sized enterprises, the process of developing the skills of new entrepreneurs and the process of creating a prototype of a new product and/or service (Hackett and Dilts, 2004; Stephens and Onofrei, 2012). To grasp the complexity of the incubation process and the impact of the incubation model on the
incubatee, Hackett and Dilts (2004) suggest viewing the incubator as a network of individuals and organisations (incubation management, partners, incubatees, intuitions, industry contacts, services, etc.) offering required access to resources and knowledge (Peters et al., 2004). Scholars also argue that incubation practices are affected by location, culture and time and therefore may be adapted to prevailing local conditions and context factors (Lalkaka, 2002; Aernoudt, 2004). Moreover, the entrepreneurial economic action (e.g. information and resources exchange) of individuals and organisations within the network of an incubator can be shaped by sociocultural (e.g. social norms and structures) and emotional context factors (Bollingtoft and Ulhøi, 2005). Particularly refugee entrepreneurs, as new arrivals in a host country, face various barriers and difficulties while starting their business due to their specific migration situation and an accompanying lack of social, human and cultural capital in the host country (Jones et al., 2014; Obschonka et al., 2018). As a result of their issues they might require explicit treatment and a specific incubation model, compared to other immigrant or native entrepreneurs.

In recent years, we have observed the emergence of particular incubation and business support models, varying from traditional incubation through to acceleration models. Innovative integration programs, such as the Australian “Ignite Small Business Start-ups Initiative”, actively address the challenges of refugee entrepreneurs and fruitfully facilitate their integration into the labour market through entrepreneurship (Collins, 2017). In this study, we therefore explore an incubator for refugee entrepreneurs, in order to shed light on “how” this particular business incubation model affects the entrepreneurial development of refugee entrepreneurs – specifically in the context of their embeddedness in the host country.

2.2 Research on refugee and migrant entrepreneurship

Contradicting to the general expectation that immigrant refugees could be a financial and social burden, refugee entrepreneurship can positively affect the economy of the host country (Tumen, 2016; Bizri, 2017). Broadly speaking, immigrant entrepreneurs are defined as new arrivals who start a business in the host country out of the necessity of economic survival (Virdee, 2006; Vinogradov and Isaksen 2008). Various (cross-)cultural studies (despite existing criticism) indicate cultural and religious distance or economic differences between host and home countries (Hooghe et al., 2009; Festing and Harsch, 2018; Vershinina et al., 2018). For instance Syria (as the country of origin of many refugees including these from our study) is characterised by an Arab culture with collectivistic values and belongs to the factor-driven economies dominated by subsistence agriculture, extraction businesses and export of primary goods (Global Entrepreneurship Monitor 2009; Bizri 2017). In comparison, the culture of Germany (as one of the most popular destinations for refugees seeking asylum) is fundamentally formed by a relatively high degree of individualism, long-term and developmental orientation and uncertainty avoidance, which is reflected by the German advanced innovation-driven economy and legal system with a complex set of regulations and bureaucratic processes (Global Entrepreneurship Monitor 2017; BMWI, 2018; Festing and Harsch, 2018). The Global Entrepreneurship Monitor (2017) report on Germany points out that the associated key obstacles of migrants to business in Germany may be cultural barriers such as language, issues with a general liability of foreignness as well as a lack of funding in the host country. Nevertheless, it is reported that migrants in Germany are more likely to engage in entrepreneurial activity than non-migrants. As a potential reason it can be argued that the decision to take the risk to migrate to another country marks a certain risk attitude of migrants which may be crucial while engaging in entrepreneurship (Marchand and Siegel, 2015). National culture may enable and/or constrain entrepreneurship while cultural values may be associated with different types of entrepreneurial behaviour. As an example, the set of values and social practices of a national
culture may affect opportunity identification and entrepreneurial intention determining entrepreneurial action (Vershinina et al., 2018).

Moreover, refugees may differ from other groups of migrants, due to the various reasons for their migration. Thus, refugees escape from their home countries caused by a life-danger and seek to maintain income. They are less economic opportunity-driven and do not primarily start a business as a potential career option (Global Entrepreneurship Monitor, 2016). Compared to economic migrants, refugees tend to return more rarely to their country of origin and to rather elaborate on their network ties, shared norms, competencies and knowledge in the host society on the long term (Omata, 2013; Bizri, 2017; Alrawadieh et al., 2018). Consequently, research agrees that the entrepreneurial characteristics of refugee entrepreneurs differ from the attributes of native entrepreneurs, as well as from other immigrant entrepreneurs, by being more complex and combining distinct cognitive, affective, behavioural and social characteristics (Bemak and Chung, 2014). The distinctive characteristics of refugees include prior working experience and entrepreneurial motivation (Bizri, 2017). Due to their forced migration, in comparison with other migrant groups, refugees face unique obstacles within their economic integration process, which may be caused by the lack of accreditation of educational achievements (e.g. lost documents), mental health issues (e.g. war and flight traumatisation) as well as less financial resources and limited social capital in the host country (Bakker et al., 2017; Obschonka et al., 2018). Research argues that refugees suffer hindered access to entrepreneurship in the host country, and various studies highlight that they struggle with particular difficulties and barriers when starting up a business, such as culture and language barriers, lack of knowledge, discrimination and racism, regulations and compliance requirements as well as financing policies (Sepulveda et al., 2011; Jones et al., 2014; Collins, 2017).

To date, academic research has tried to explain the success of new ventures and the phenomenon of refugee entrepreneurship by employing social capital theory and emphasising the role of networking as a valuable asset providing access to knowledge, information and financial capital (Nahapiet and Ghoshal, 1998; Elfring and Hulsink 2003; Jack et al., 2008). The frameworks behind social capital theory offer an approach to explain the entrepreneurial value creation of refugees. The theoretical lens suggests that the intellectual capital of a venture is created and exchanged, whilst required resources become accessible via the social networks of entrepreneurs. Thus, social capital theory measures the social capital and networks of refugee entrepreneurs along the following three dimensions: first, structural social capital describes the dimension of the network ties, network structure and frequency of interaction. Second, cognitive social capital refers to a shared language and the common visions and understandings refugee entrepreneurs might share with others. Finally, relational social capital implies trust, shared norms and the identification of the members of a network, which in the case of refugee entrepreneurs can increase the social capital in their host country (Nahapiet and Ghoshal, 1998; Bizri, 2017).

2.3 Embeddedness of migrant and refugee entrepreneurs

Building upon social capital theory, the concept of social embeddedness emphasises social relations as a crucial factor in fostering business development and the success of entrepreneurs (Granovetter, 1985; Uzzi, 1997). Economic actions are therefore shaped by cultural norms, values and learned routines accessible to individuals through their social networks (Granovetter 1985; Kim et al., 2016). As a result, the success of refugee and migrant ventures can be approached by the social embeddedness of entrepreneurs in social networks. Research on migrant and refugee entrepreneurship further endorses the perspective of mixed embeddedness theory, which considers both the entrepreneur’s own social (co-ethnic) network and local contextual factors such as local markets and the
entrepreneurial environment (Rath and Kloosterman, 2002; Jones et al., 2014; Bagwell, 2018). Entrepreneurial success and business opportunities depend on the supply of the entrepreneur as well as demand-side factors such as opportunity structure and external environment (Kloosterman, 2010; Bagwell, 2018).

In order to explore the business opportunities of refugee entrepreneurs, the mixed embeddedness thesis categorises the three levels of influence as follows: the individual or micro level of migrant entrepreneurs, including their set of (ethnic) resources and various forms of capital (social, financial and cultural/human); the structure of opportunities on the meso level, which emerge for migrant entrepreneurs in the host country via market characteristics and the demand for products and services of their new venture; and the macro level, drawing on the societal, economic, political and institutional environment (e.g. legal regulations) of the host country (Kloosterman and Rath, 2001; Kloosterman, 2010; Bagwell, 2018). The theory also links the opportunity structure of the market to the macro level, thus describing the socio-economic and political environment of the host country. The meso-level perspective reveals connections between the refugee entrepreneur and the macro environment, and so macro factors have an impact on the individual entrepreneur and the market as well as the interacting organisations. This approach enables a dynamic interpretation of refugees’ entrepreneurial activity under the assumption that strategies and behaviours are reactions to the economic and political environments (Kloosterman, 2010).

Moreover, recent research has further elaborated the mixed embeddedness perspective on a transnational view and proposed the application of a transnational mixed embeddedness theory for entrepreneurs and businesses with cross-national orientation and entrepreneurial activities in multiple social and economic areas. Business success and the development of transnational migrant entrepreneurs can be explained by local and transnational embeddedness factors. For instance, transnational entrepreneurs may profit from additional social capital from their transnational networks (micro level) and access to additional opportunities provided by overseas markets (meso level) – all beyond the competitive markets of the home or host country (Bagwell, 2018).

Considering this point, newcomers (oriented towards local as well as transnational activity) may be influenced by social networks as well as cultural norms, values and the economic and political environments of their home and their host country (Granovetter, 1985; Ren and Liu, 2015; Bagwell, 2018). This theoretical assumption builds the basis for an analysis of the interplay between refugee entrepreneurs and the opportunities provided by the new business environment. Additionally, scholars have opened up the debate on the “super-diversity” of “new” migrant entrepreneurs, distinguished by their changing provenance, their status (e.g. legal, academic, socio-economic) and their transnational orientation (Sepulveda et al., 2011). Jones et al. (2014), for instance, argue that while there is a diverse range of migrants in various contexts, their scope of (entrepreneurial) activities is still caused by the structural constraints (e.g. refugee status) of the host country.

It is reasonable, therefore, for us to assume further that newcomers do not have direct access to every recourse and information source of the host country which they require to create their new venture. Consequently, a business incubator could fill this gap by providing access to people, resources and knowledge, for example via formal and informal networking, which even implies access to resources beyond the incubation model (Peters et al., 2004). However, social networks and the mixed embeddedness of refugee entrepreneurs have not been studied systematically in previous business incubation research. Drawing from the mixed embeddedness and social network literature, therefore, in this paper we explore how the particularities of an incubation model designed especially for refugees affect the embeddedness of refugee entrepreneurs in the host country.
3. Data and method

3.1 Research subject: the IiM incubator for refugee entrepreneurs

As the subject of the study we selected the business incubator “IiM” (modified name of the incubator). IiM is a not-for-profit joint venture by two Germany-based organisations supporting and improving integration. The objective of the IiM incubator is developing entrepreneurs and contributing to their economic integration and embeddedness in the host country. The programme’s focus and components were developed following prior co-creation with refugee entrepreneurs by defining jointly the challenges and barriers they faced creating a new venture in Germany. The programme compromises a structured curriculum of 22 weeks, which leads the participants into a seven-week concept phase followed by 15 weeks of execution. The concept phase is based on the design thinking methodology, whereby participants define their business model, refine their idea and learn about the basics of founding related to local markets and their new socio-economic environment. The execution phase thereafter represents an intensive period of delving into critical business topics, including sessions about marketing, operations, legal systems, funding and business skills. The business education and training sessions in the curriculum are accompanied by personalised leadership workshops and coaching in relation to soft skills. Due to several additional networking activities and events, the incubator enables its incubatees access to expert networks and the founder ecosystem in the host country. For individual advice and guidance – especially in the field of host country regulations and funding – a professional mentor is matched with each project in a relevant field. Also, the incubatees benefit from promotion and media exposure activities through the programme. In contrast to former generations of incubation models, the incubator offers no shared office or workspace facility, due to its limited resources (Hackett and Dilts, 2004). At the core of the refugee incubation model lie value-adding information and network provision services. Workshops and training sessions are hosted and designed in collaboration and exchange with supporters and partners of the incubator, such as private-sector consultants and experts. The incubatees are co-supported by partners and mentors (mainly on a pro bono or a reduced rate basis) of the programme. In terms of alumni relations and post-programme support, mentors, partners and incubatees agree to self-organised follow-up exchanges and community building on an individual basis. To conclude, the refugee incubation model is built on the following major pillars of support: business education and leadership training related to refugee entrepreneurs’ challenges; expert networks and start-up community activities in the host country; and professional and individual mentorship linked with host country regulation and funding advice.

3.2 Research design and sample selection

As stated in the introduction, the previous business incubation research is specifically lacking knowledge in the refugee entrepreneurship context, and refugees’ business incubation process is still a relatively unexplored subject. Given this lack in literature, and aiming at a comprehensive understanding on how a business incubator affects the development and embeddedness of refugee entrepreneurs in the host country, we employ a qualitative approach based on a case study research design. This methodological choice is appropriate to provide an in-depth analysis on a real-life case of an incubation model for refugee entrepreneurs in Germany (Eisenhardt, 1989; Eisenhardt and Graebner, 2007; Yin, 2003; 2009). The case study approach utilises a qualitative, interpretive and inductive research design to explore the meaning of experience and to identify key patterns and themes in the data instead of testing hypotheses. Our case study follows the analytical objective to contribute to incubation and refugee entrepreneurship theory development. Thereby, the qualitative approach also admits multiple realities and allows for a detailed contextual analysis (Stake, 1995; Ahmad and Ingle, 2011). In the context of the business
incubation of refugee entrepreneurs, a single case study provides a suitable design to understand this dynamic phenomenon and process (Yin, 2009). The selected business incubator “iIM” provides a classic example of one experienced incubator focusing on supporting Syrian refugee entrepreneurs from various sectors looking for economic survival through self-employment in a host country with an advanced economy (Germany). The incubator programme was selected based on its inclusive and collaborative approach, which aims to facilitate refugee entrepreneurs’ individual development by addressing the key challenges of economic integration into a host country. Besides, Germany as a hosting country accounts as one of the most important destinations for immigrants and is very relevant for studies on refugee economic integration (OECD, 2015). The German economic system is based on the model of social market economy, offers an established physical infrastructure and access to governmental support for entrepreneurs. In recent years, emerging governmental initiatives promote migrants’ economic integration and their entrepreneurial activity (Global Entrepreneurship Monitor, 2017; BMWI, 2018).

From a multi-stakeholder perspective, primary data were collected from a theoretical sample of multiple respondent groups of representative incubator stakeholders. First, we started by sampling refugee entrepreneurs participating in the incubation model, who were selected based on an internal evaluation and selection process actioned by incubator management. Similar to other incubation and acceleration models, refugee entrepreneurs applied to an online open call, following which potential respondents were invited to an interview. The selection strategies focused on both the potential of the idea and the entrepreneur. Thus, the criteria for the selection were: an innovative and feasible idea; a founder (team) with a forced migration background; and the ability to legally found a business in Germany. The top 9 projects were invited to join the incubation programme. All refugees were of Syrian origin, and the entrepreneurial projects were in the early stages and testing phases at the beginning of the incubation programme. The entrepreneurs came from different fields of education, and their ages ranged from 27 to 40 years. As the incubator had no responsibility to industry, the projects touched various sectors and markets such as fashion, online education, street food, tourism and architectural restoration. Among the sample were participants with educational backgrounds in design, fashion design, architecture, economics, literature or software development, as well as various professional backgrounds. All participants started their entrepreneurial activity within their first two years of arriving in Germany (see Table I for descriptions of the refugee entrepreneurs).

This sampling enabled us to focus on the perspectives of the incubatees and their entrepreneurial process (Hackett and Dilts, 2004; Pauwels et al., 2016).

Next, to extend further our theoretical sample, and to capture the supply side of the incubator, as well as to examine the incubation process from multiple standpoints, we included relevant key stakeholders in the incubator and the start-up ecosystem contributing to the incubation: three incubator managers and founders, two stakeholders providing content (one innovation consultancy, one law consultancy), two stakeholders and mentors providing content and network (one e-commerce start-up, one NGOs), one stakeholder providing network and event location (GO) and one stakeholder providing participant outreach (media).

3.3 Data collection and analysis

The primary data were collected from the incubation programme over five months from March to August 2017. The first baseline data collection was based on a participatory focus group workshop (three hours) during one of the first sessions. A focus group interview is an applicable qualitative method for collecting data in the social context of a group discussion, and it sets out to explore attitudes, feelings and ideas about a particular issue or topic from
the perspective of the participants (Anderson, 1990). Interaction within the group plays a significant role while the participants are developing a more collective view (instead of an aggregated view) about specific needs or problems. Hence, the method is commonly used to explore feelings and attitudes (also related to rather sensitive topics) expressed by communities or minorities (Chaudhury et al., 2016). The research setting of a focus group creates a more natural environment with real-life conditions where individuals influence each other (Casey and Krueger, 2000) – in our case similar to the working environment during the workshops and training sessions run as part of the incubation programme. Consequently, the homogenous group of refugee entrepreneurs with the same cultural background, combined with incubation management who share the same common attitudes towards refugee entrepreneurship, represents an appropriate group composition to ensure an open and sincere discussion (Anderson, 1990; Denscombe, 2007).

Our participatory diagnostic workshop comprised nine refugee entrepreneurs and two incubator managers. The workshop was moderated by two researchers, using a well-formulated workshop guide, accompanied by one notetaker. The workshop was designed to identify the challenges and objectives of the incubatees as well as to prioritise and match the strategies of both abovementioned stakeholder groups (Chaudhury et al., 2016). First, the participants were asked to self-reflect on individual entrepreneurial success and their expectations regarding the incubator. Second, the group identified and clustered shared key environmental and entrepreneurial challenges and issues. The stakeholders

<table>
<thead>
<tr>
<th>Business</th>
<th>Industry/sector</th>
<th>Age</th>
<th>Gender</th>
<th>Educational background</th>
<th>Working experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion design</td>
<td>Fashion</td>
<td>39</td>
<td>Male</td>
<td>Studies in couture fashion design</td>
<td>Worked as a fashion designer for more than 16 years in Lebanon and Dubai</td>
</tr>
<tr>
<td>Medical tourism for VIPS</td>
<td>Tourism</td>
<td>38</td>
<td>Female</td>
<td>Studies in economics in Damascus</td>
<td>Worked as a development manager (real estate) in Syria and Saudi Arabia</td>
</tr>
<tr>
<td>Online educational platform in Arabic</td>
<td>Education</td>
<td>38</td>
<td>Male</td>
<td>Studies in English language and literature</td>
<td>Worked as professor of English literature and taught academic research methods for 10 years in Syria</td>
</tr>
<tr>
<td>Online search engine</td>
<td>Internet services</td>
<td>27</td>
<td>Male</td>
<td>Studies in computer programming</td>
<td>Worked as an android programmer and web developer</td>
</tr>
<tr>
<td>Street food and catering service</td>
<td>Hospitality</td>
<td>28</td>
<td>Male</td>
<td>Studies in economics</td>
<td>Worked in a family textile fabrics business in Syria, and as a volunteer with many projects with the concept of “street food”</td>
</tr>
<tr>
<td>Online platform for architectural restoration</td>
<td>Architecture</td>
<td>40</td>
<td>Male</td>
<td>Studies in architecture</td>
<td>Worked as a freelance architect</td>
</tr>
<tr>
<td>Oriental furniture and interior decoration</td>
<td>Furniture</td>
<td>38</td>
<td>Male</td>
<td>Studies in electrical engineering</td>
<td>Worked as entrepreneur and owner of a small factory and workshop with 6 workers in Syria for handcrafts (furniture)</td>
</tr>
<tr>
<td>Online shop for oriental designs and artworks</td>
<td>E-commerce</td>
<td>27</td>
<td>Male</td>
<td>Studies in civil engineering and programming</td>
<td>Worked in Thailand as an assistant production manager for 1.5 years in a jewellery manufacturer, and as a software engineer in Berlin. Teaches web development as a volunteer</td>
</tr>
<tr>
<td>Online platform for artistic community</td>
<td>Design and art</td>
<td>40</td>
<td>Male</td>
<td>Studies in painting</td>
<td>Worked as graphic designer (1999 till today), owner and operator for a visual communication agency called, volunteer in Syria</td>
</tr>
</tbody>
</table>

Table I. Sample characteristics of refugee entrepreneurs
then selected common key themes with the highest potential to achieve the group’s common vision of entrepreneurial success within the incubation programme. The participatory method enabled the group of refugee entrepreneurs to define the sort of action they required from the incubation model (Chambers, 2012). The collective small-group deliberation of the focus group provides in-depth understanding on how entrepreneurs think about topics that ground in their everyday entrepreneurial experience at the point of time. Applying the focus group research method allowed us to observe the collaboration between peer refugee entrepreneurs in a quasi-natural environment within the incubation setting (Macnaghten, 2017).

To cover the perspective of the incubatees, we collected primary data via semi-structured interviews. To understand better the impact of the incubation model on the incubatees’ entrepreneurial development, face-to-face semi-structured interviews (one hour long on average) took place at two points of time: during the kick-off week of the programme in March 2017; and after completing it in August 2017. Among the nine refugee entrepreneurs, six agreed to participate in the semi-structured interviews. To identify the relevant emerging key themes in the incubation context, we asked them to describe their expectations, to reflect specifically on how they define personal and business success and which key challenges they faced. Additionally, we asked them to explain briefly their personal background and professional experience. We wanted to know about the history of their migration. To explore their entrepreneurial development, we asked them each time about their current entrepreneurial situation. Furthermore, we wanted to know what they thought of their experience with IIM and how the incubator helped them with the development and integration of their business.

For the views of the incubator and stakeholders in the ecosystem, primary data from six semi-structured interviews with the incubator’s management, mentors and external partners, who contribute to the incubation model, were collected in August and September 2017. Our semi-structured interview protocol contained the following areas on each occasion: motivation to participate; expectations and measures of success; contribution to the incubation programme; experience and observations within the incubation; and collaboration experienced between stakeholders, the incubator and participants.

For our analysis, the primary data were combined with internal documentation, reports and archival information provided by the incubator as well as publicly available material such as the company’s website, media and crowdfunding campaigns and reports about the incubator. These data included, for example, information about the characteristics of the incubation programme in terms of length, selection criteria, choices of sector, value proposition and content, and they served to gather information about the strategy of the incubator, its social impact model and objectives, as well as organisational culture and structure. Thus, the internal impact model of the incubator suggests the following measures for developing the embeddedness of its incubatees: reporting increases in network contacts and partnerships in the host country, reported knowledge acquisition of required business skills of the incubatees related to the host country, intensity of firms’ founding activities, such as legal registration of the venture, the acquisition of funding, access to customers and local markets as well as first revenues. In addition to this source of data, we were able to collect informal observations by attending some of the incubator’s training and mentoring sessions as well as its kick-off and demo-day event. Our written notes helped us gain additional insights into refugee incubation from the perspective of several stakeholders. The cross-checking of the data from multiple sources validated our research data through triangulation (O’Donoghue and Punch, 2003; Flick and Gibbs, 2007). Corresponding to the working language of the workshops, training sessions and events, the language for primary data collection was mainly English. Two interviews (with a street food refugee entrepreneur and a stakeholder providing network and event locations) were
conducted in German. All the data were recorded, transcribed and, where necessary, translated into English. For inter-coder reliability, the transcripts were coded and interpreted by two researchers (Krippendorff, 2004). Furthermore, our research design with data collections at various points of time during the programme allowed for a comparative analysis of the data with a longitudinal view on the incubation, in order to explore better the development of the entrepreneurs and their embeddedness.

The data analysis herein is based on the three-step process devised by Gioia et al. (2013). In a first step, we applied open coding to generate first-order concepts. Therefore, consultation between the researchers resulted in a consensus on the codes and first-order concepts. As an example, from the raw data “If it’s possible to do this Anmeldung [registration] or find, how to find someone who will come with me. I would not be able to do it alone. You know, I really need someone to come and fill the papers. I cannot understand. It’s all very confusing” and “If I want to open, I can’t just get a Gewerbeschein [business license]. I need to really register. Until now this is not happening and buying things for example” we coded “Issues with registration and bureaucratic processes”. Subsequently, the first-order concepts were grouped into second-order themes. In so doing, we were searching for similarities and differences among emerging categories and gave them labels that generally maintain the interviewees’ original terms. In a third step, the second-order themes were aggregated into dimensions by reflecting on how these connections could be explained theoretically (Gioia et al., 2013). The set of all the first-order codes, second-order themes and dimensions build the data structure demonstrating the rigour of our qualitative research (Gehman et al., 2017). Figures 1–3 therefore provide an overview of the data structure of our analysis. For example, we coded media exposure and marketing activities, showcasing the potential of refugee entrepreneurs and organisation of network events and demo-days as first-order concepts and grouped them into the second-order theme outreach to potential markets and partners. In combination with the second-order theme proactive introduction to networks, we grouped them in the aggregated dimension proactive introduction to local ecosystem. Throughout the analytical process, we compared our observations with the existing refugee entrepreneurship and business incubation literature, in order to detect, refine and identify overall themes, patterns and relationships between IIM and the entrepreneurs. Finally, we related the themes to the dimensions suggested by the mixed embeddedness theory.

4. Findings and discussion
This section reports the results from our analysis and discusses them through the theoretical lens of the mixed embeddedness theory. First, we identify the lack of embeddedness and barriers faced by refugee entrepreneurs. Second, we analyse the impact of incubation on refugee entrepreneur development in the context of embeddedness in the host country. In so doing, we find that the impact of the incubation touches upon multiple dimensions of mixed embeddedness. We elaborate on and suggest an incubation process framework with embeddedness as an outcome variable.

4.1 Lack of embeddedness and barriers faced by refugee entrepreneurs
Before analysing how the incubator affects the embeddedness of its incubatees, it is important to understand the issues and barriers facing the refugee entrepreneurs in our sample and in this context. In this section, we report the following key themes describing the lack of embeddedness and barriers faced by refugee entrepreneurs that emerged from our findings: lack of understanding and limited knowledge of the host country, hindered interaction in a new socio-economic and legal-institutional environment and limited local networks and resources in the host country. Confirming prior research, in our study the
refugee entrepreneurs agreed on their specific migration situations and flight experiences (Bizri, 2017; Obschonka et al., 2018).

**Lack of understanding and limited knowledge of the host country.** The entrepreneurs in our sample stressed a lack of understanding, due to insufficient information and business knowledge about the host country. They complained about difficulty in

<table>
<thead>
<tr>
<th>First-order concepts</th>
<th>Second-order themes</th>
<th>Aggregate dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Information are not easy available (where to get the right information?)</td>
<td>Insufficient information and business knowledge of host country</td>
<td>Lack of understanding and limited knowledge of host country</td>
</tr>
<tr>
<td>• Lack of business knowledge (how to start a business in the host country?)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Lack of knowledge on bureaucracy, legal system of host country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Newness of rules, legal restrictions, law and taxes of host country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Limited language/communication skills</td>
<td>Cultural distance</td>
<td></td>
</tr>
<tr>
<td>• Different norms and values</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Different marketing practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Limited understanding of market and customer in host society</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Issues with registration and bureaucratic processes</td>
<td>Issues with different legal-institutional system of host country</td>
<td>Hindered interaction in a new socio-economic and legal-institutional environment</td>
</tr>
<tr>
<td>• Miscommunication between refugees and governmental institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Limitations related to legal status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Legal registration as first priority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Increased negative perception as refugee</td>
<td>Negative societal perception</td>
<td></td>
</tr>
<tr>
<td>• Limited legitimacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Difficulties to find an adequate job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trust issues, doubts and frustration due to discrimination and experienced rejection (job, partner, bank, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Primary co-ethnic social ties in home and host country</td>
<td>Limited local social network in host country</td>
<td>Limited local networks and resources in the host country</td>
</tr>
<tr>
<td>• Difficulties with outreach and awareness raising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Lack of financial resources and funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Difficulties to open a business bank account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Difficulties to build up infrastructure (location/distribution), supplier network and strategic partnerships in host country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Challenge to find and convince reliable people (business partners, worker and first clients)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 1.** Data structure – lack of embeddedness and barriers faced by refugee entrepreneurs.
accessing information and wondered where to search and find suitable business-related materials. Almost all participants mentioned limited business knowledge in regard to understanding how a business is run in Germany. Many noticed different marketing practices compared to their country of origin. They highlighted a deficit of communication skills or a lack of knowledge in (digital) marketing tools and therefore actively asked
the incubator for support. Additionally, all refugee entrepreneurs in the focus group agreed on collective confusion concerning the number of new rules, legal restrictions and taxes that were caused by their unfamiliarity with Germany’s bureaucracy and comparatively complex legal-institutional system. Coming from another cultural background, most of them stated that different cultural factors such as language, values and norms had triggered their issues. Even though German governmental initiatives increasingly provide new arrivals with (business related) information, language classes and support with the recognition of foreign qualifications (BMWI, 2018), the participants expressed their cultural distance and difficulties in understanding their new socio-economic and political environment, as well as sourcing necessary information and
sufficiently understanding new markets and customer bases. The incubator manager summed up the situation thus:

And then another one is – I mean sort of knowledge and skills as well – but this is really knowing, understanding customers and the market in Germany. And then, for the knowledge and skills, we have the challenges here. A big one is around the sort of legal bureaucratic requirements. And then another one is more business skills; the kind of skills you would need day to day to run a business (Incubator management).

Hindered interaction in a new socio-economic and legal-institutional environment. Building upon the incubatees’ limited business knowledge related to the host country, the refugee entrepreneurs further mentioned their problems surrounding communication and interaction in their new environment. The analysis of the data shows that they had tackled issues relating to the duration and structure of registration and bureaucracy. They expressed their frustration regarding issues caused by miscommunication with governmental institutions. Due to their legal or refugee status they experienced various limitations (in contrast to people with EU nationalities), such as limited legal rights of economic interactions and limited right to travel in Europe, thereby hindering their business development. As one of the refugees stated:

I avoided to have the [refugee] status just to have always the freedom of traveling in Europe […] I’m establishing a GmbH […] So they took all the papers – till now, no answer. From October till today, we are 20th of March. No answer. So I’m not allowed officially now to take any money from my company, if it starts making money. It doesn’t make sense to me, but it’s the situation (Refugee entrepreneur, online platform).

The incubatees highlighted the legal registration of their company as one of their first priorities along with the incubation process, noting that they were somewhat unsure of German regulations and therefore desired step-by-step and intense support with the complex and lengthy bureaucratic procedure:

He needs to speak German and he needs to come with me to the Amt [governmental service] (Refugee entrepreneur, fashion design).

Furthermore, the refugees in our study pointed out a negative societal perception in the socio-economic context, as they had experienced a negative perception by the public complemented by the limited legitimacy of their economic ability. Although most participants had an appropriate level of education, they explained complications in finding an adequate job in their field. Some of the incubatees expressed trust issues, doubts and personal frustration due experiencing previous discrimination and rejection (e.g. finding a job, finding a business partner, opening a bank account, etc.):

So, they thought that maybe just being Syrian might cause them headache in the future, if something happens. So, they decided not to give me the job. As simple as this. So, when, when I, for instance, I go to open a bank account and they say no – why? I mean, what is the legal basis you depend on? There is nothing. So, why? There is fear in his heart. How can I interpret it? I don’t know. He looks at me and sees that I might bring some problems. I don’t know why (Refugee entrepreneur, online platform).

These findings validate recent studies by Jones et al. (2014), Collins (2017) and Obschonka et al. (2018) who discuss the unique hurdles refugees face during economic integration. For instance, even if the educational qualifications of Syrian refugees in Germany are relatively high compared to other groups of migrants (Rich, 2016), they still experience discrimination or difficulties with the recognition of education and qualifications.

Limited local networks and resources in the host country. In our analysis, we recognise a primary co-ethnic orientation of refugee entrepreneurs at the point of entering the incubator. We observe that with regard to their entrepreneurial orientation and career path, they
reference their family and friends within the home and host countries. This finding confirms current research on migrants family and community orientation showing that migrants primarily seek and receive economic support and advice from family members and their ethnic community (Bird and Wennberg 2016; Eggenhofer-Rehart et al., 2018). These co-ethnic social ties indicate a limited local social network in the host country. Related to this notion, our data demonstrate that they face difficulties reaching out to the local ecosystem, so most of them lack access to local resources and business networks. At the beginning of the incubation process, some of the refugees also claimed a lack of financial resources, e.g. no access to funds and no bank account. Furthermore, they had requested support with building up infrastructure (e.g. finding a location or distribution network), supplier networks and strategic partnerships. Many of them specified difficulties finding and convincing reliable and suitable people (e.g. business partners, workers and first clients) necessary for the early development of their business. One refugee entrepreneur explained:

Nobody has experience! [...] It was so difficult to find the right people to do it, because nobody [...] I started with students, [but it] was a disaster. Then I started hiring professionals [...] But still they’re really not good compared to the people I used to work with. [...] Because nobody uses it [material]! So my sister came in the summer. I asked her to bring some stuff with her, because I cannot find anything (Refugee entrepreneur, fashion design).

Our findings maintain Kloosterman’s (2010) assumption that migrant entrepreneurs tend to lack market knowledge, local networks and resources in a new economic environment. Kloosterman (2010) claims that entry into a potential market requires the right set of resources. Scholars further argue that, in contrast to more opportunity-seeking migrants, refugees (particularly from Syria) may not consider to return back to their demolished home towns and accordingly chose those host societies, which offer adequate economic survival and restart conditions as well as high potential for the development of new social ties (Mueller, 2014; Stevens, 2016; Bizri 2017).

4.2 The impact of business incubation on refugee entrepreneurial development

In this section, we analyse the impact of incubation on entrepreneur development in relation to the areas in which they lack embeddedness in the host country. In this sense, we identify key themes of a particular incubation process and report how business incubation addresses these themes to contribute to this embeddedness. As such, we develop a framework to facilitate understanding in this regard (see Figure 4) and discuss the findings in relation to previous research and the dimensions of mixed embeddedness theory. In our analysis, we identified the following three key themes in the incubation process that address the lack of embeddedness: knowledge exchange related to socio-economic and legal-institutional challenges; proactive guidance and introduction to the local ecosystem by prosocial stakeholders; and network development through local stakeholder commitment and expanded collaboration in the host country.

Knowledge exchange related to socio-economic and legal-institutional challenges. Taking the refugees’ multiple challenges into account, the incubation management included refugee entrepreneurs in the design process of the incubation programme, taking an inclusive “transcultural” incubation approach. Programme elements and specific workshops are co-created particularly to empathise with the refugee entrepreneurs, identify their cultural distance and adopt a programme to their particular challenges in the host country. Consequently, we observe an inclusive (cultural) exchange between incubation management, incubation stakeholders and refugee incubatees over the duration of the programme and beyond:

They also have the participation of the newcomers in their programs. They’re not so much talking about the beneficiaries but rather of their clients, their partners. [...] So there’s a lot of [...] [inclusiveness] and integration (Incubation stakeholder, providing content).
Figure 4. Refugee business incubation process framework

- **Mutual understanding of refugees' challenges and cultural distance**
  - e.g. co-creation of workshops based on refugees' challenges

- **Knowledge exchange of information related to socio-economic and legal-institutional environment**
  - e.g. trainings and workshops

- **Proactive guidance and introduction to the local ecosystem by prosocial stakeholders**
  - e.g. creation of synergies

- **Commitment of (incubator external) stakeholders of the local ecosystem**
  - e.g. native and locals co-founder and team members

- **Proactive introduction to networks and outreach to local ecosystem**
  - e.g. network events and media exposure

- **Expanded collaboration with peer entrepreneurs and incubator stakeholders**
  - e.g. creation of synergies

- **Network development through local stakeholder commitment and expanded collaboration in host country**

- **Increase of entrepreneur's embeddedness and business development in host country**

- **Expanding social, cultural and human capital in host country**

- **Individual means, experience, background and barriers**

- **Knowledge exchange related to socio-economic and legal-institutional challenges**
In our analysis, we further detected an ongoing (cultural) exchange relating to mutual understanding between the refugee entrepreneurs and the incubator stakeholders. The interviewed incubator partners stressed the uniqueness of the incubator, focusing on the challenges and issues of refugee entrepreneurs:

I think on each single person they have a huge impact, because they’re providing a service which is not really very much existent otherwise. It’s basically a basic need (Incubator stakeholder, providing content).

So you first need to understand the background. This can’t be done by any accelerator or incubator, because they do not understand the pain you’re going through, being a migrant, being away from your home, having lots of difficulties also to adapt, to learn the language – and on top of that, becoming an entrepreneur (Incubator stakeholder, providing network).

In order to address actively the deficiencies of understanding related to their new socio-economic and unfamiliar legal-institutional environment, the incubator provides respective information in this context and shares business-related knowledge through workshops and training sessions held by local ecosystem experts. The incubator thereby facilitates the incubatees’ access to hidden legal information and bureaucratic processes (e.g. where to search for information and how to start). The refugee entrepreneurs were able to develop their business skills in the host country due to lectures on accounting, organisational forms and finance as well as marketing and communication.

Our data additionally confirm that they sought to understand their customers and cultural factors, in order to assess their buying behaviour. Therefore, human-centred design workshops as well as the iterative approach regarding the programme enabled them to empathise with their customers, to test prototype products and services and to get information on customer demand under professional guidance. Our empirical findings demonstrate this iterative approach, as the entrepreneurs stated implementing changes to their business ideas and strategies influenced by the incubation model:

[...] how to define users and customers [...] developing the idea from week to week with the program [...] We have somehow completely different vision about [my project], what it is now and what it was before five months (Refugee entrepreneur, online search engine).

Drawing on mixed embeddedness theory (Kloosterman and Rath, 2001; Kloosterman, 2010), this understanding and initial access to the local market, as well as enhancing the product-market-fit to unknown local markets, may contribute to increased embeddedness (on a meso dimension) in the local economies and markets of the refugee entrepreneurs. In our analysis, we found that due to participation within the incubation programme, refugee entrepreneurs can expand their own competences and increase their awareness of their own deficits in social, human and cultural capital in the host country. Through knowledge exchange related to the socio-economic and legal-institutional environment, the incubatees better understand their new political and economic environment and are encouraged and prepared to address any gaps.

Proactive guidance and introduction to the local ecosystem by prosocial stakeholders. According to the interviewed refugee entrepreneurs, restarting in a new socio-economic and legal-institutional environment involves various barriers to entrepreneurial success. Building upon the understanding of refugee entrepreneurs’ challenges in the host country, incubatees were connected to prosocial stakeholders such as ecosystem experts and mentors willing to provide intense (individual and one-on-one) support within the incubation process or to engage in initial collaboration (see Figure 4). We found that the incubator managers and external partners first acknowledged the importance of the various challenges of the incubatees (e.g. access to funding and investors or legal registration) and then attempted to supply adequately proactive guidance and advice services. For example, some incubator stakeholders
provided proactively professional assistance to find adequate resources (e.g. funding, infrastructure, suppliers). Many of the refugees in our case study mentioned being connected with experts and mentors who guided them by the hand through the process of registration or funding, in order to assist with the complexity of the bureaucratic (legal) system:

The mentor gave me the basics [for the business plan]. He had experience. [...] I met with [incubator stakeholder] every week and we work it out, I make on my own [...] I translate the questions, I write what I can, but she corrects and does it in the nice style. She makes it more formal for the job center (Refugee entrepreneur, street food).

Mentorship is very important [...] to have a mentor who can guide you through this process of building my business (Refugee entrepreneur, e-commerce).

Moreover, most of the incubatees appreciated the encouraging working environment, a positive atmosphere and emotional support with sensitive issues provided by incubator staff, mentors and peers:

The team of IiM were supporting us in all the steps [...] Every team is supporting the others. Provide us place. I give my knowledge to the others. The small community we created in IiM was probably the best thing (Refugee entrepreneur, online search engine).

The incubator stakeholders mentioned proactively introducing the refugee entrepreneurs to networks in the local ecosystem, including particularly “open-minded” and prosocial experts, experienced entrepreneurs, investors, accelerators, etc., willing to provide further support (pro bono or at a reduced rate) or to engage in cooperation. Partly on an individual basis, the incubation stakeholders (e.g. management as well as trainers and mentors) connected the incubatees with network contacts appropriate for their individual needs. For example, at the beginning of the programme, one of the refugee entrepreneurs detailed his search for a contact he could consult in regard to legal issues:

And I would like to learn more about Steuer-things [taxes] and make connect with who can this idea. I would like connect with somebody who is in international law or something like this. Maybe I know what I want, but I don’t know who can help. [...] Because we are working hard, we need only consulting. And leading [...] (Refugee entrepreneur, architecture).

Moreover, at the end of the incubation period, he told us he had been connected to a local contact through network services:

One of the workshops was finance. The company was very helpful; they will help me to register. [...] I am dealing with a company, finance and law responsible, that wants to support me. I worked with my mentor and, who became now adviser. He helped me with German. The company will make the process of finance. Go with me by steps of [governmental institute]. (Refugee entrepreneur, architecture).

Besides the training sessions on marketing and communication subjects, the incubator management and partners themselves included start-up projects in their media exposure and marketing activities. Through the organisation of particular network events and demo-days, the incubator stakeholders attempted to help the incubatees reach out to potential markets, customers, peers, partners and supporters of the entrepreneurial ecosystem. One of them described his experience:

Well, the people are amazing and I liked to have mentors. And I liked that there is a lot of publicity, because this is a benefit for us. They are organizing events and inviting people, which helped me a lot to network and to find people that wanted to support me (Refugee entrepreneur, fashion design).

While many refugee entrepreneurs benefited from media exposure, some entrepreneurs denied the offer and even to participate in our study. These entrepreneurs declared their preference not to be perceived as a refugee (entrepreneur) in prevision of potential discrimination in their consumer markets. These findings confirm former studies on barriers to refugee entrepreneurship, as explained by discrimination theory (Wauters and Lambrecht, 2008).
Our findings highlight the crucial role of societal perceptions of refugees and their entrepreneurial activities in their socio-economic environment accompanied by the cultural distance of their host and home society. It has to be mentioned that Germany, in contrast to other countries, has a relatively low degree of entrepreneurial activity and rather poor social values related to entrepreneurship (Global Entrepreneurship Monitor, 2017). As an example, in the last years, the new business ownership rate in many Arab countries of origin of migrants such as Syria or Lebanon is higher than in Germany. Complemented by the higher tendency of migrants (compared to non-migrants in Germany) to engage in entrepreneurial activity, refugee entrepreneurs (from those countries) may be accounted as valuable source of employment and economic development of Germany (Global Entrepreneurship Monitor, 2009; 2017). According to societal objectives, incubator management and partners therefore attempted to raise public awareness of the potential of refugee entrepreneurs in order to improve societal perceptions of refugees and their integration.

Our analysis supports the findings of prior research and agrees that societal and environmental factors such as government policies or economic conditions influence the entrepreneurial process (Peters et al., 2004; Kloosterman, 2010; Jones et al., 2014). Thus, the proactive guidance and advice provided by prosocial stakeholders may accelerate the progress of embedding entrepreneurs into the institutional environment. The legal registration of a refugee’s venture therefore implies embeddedness in the legal-institutional system. Furthermore, the refugee entrepreneurs actively expressed their wish to “pay taxes” and hence make a “contribution to society” to enhance their feeling of belonging, contributing and being valuable to the host society, as well as their social identification with their new surroundings (Ashforth and Mael, 1989). A proactive introduction by stakeholders to local networks may increase the potential to create ties within the local ecosystem, which in turn enables the refugee entrepreneurs to build up social, cultural and human capital and to increase embeddedness in regard to individual resources and the local economy (Kloosterman, 2010; Bagwell, 2018).

Network development through local stakeholder commitment and expanded collaboration in the host country. From our results, we identified refugees’ lack of embeddedness in local networks as well as interaction issues within their new socio-economic and legal-institutional environment. Within the incubation process, we found that the refugee entrepreneurs increasingly sought local and especially native mentors, business partners and team members, in order to develop their network in the host country. Triggered by the initial introduction to the local ecosystem, the refugee entrepreneurs mentioned engaging in collaborations and strategic partnerships with committed (incubator external) stakeholders in the local ecosystem (see Figure 4). We observed that the entrepreneurs used start-up community activities (e.g. network events) provided by the incubator to get in touch with potential native co-founders or to recruit native human resources. These natives could contribute to the refugee entrepreneurs’ understanding of cultural factors, support them with regulatory issues in the legal system and increase the legitimacy of their new ventures:

And now I have a co-founder who is German. And I am putting him inside the company. So he is [...] he will own parts of the company. So, he will go with me on the 6th to say: ‘What happened with the paper?’ [...] With me he is [...] you know [...] also a well-known person (Refugee entrepreneur, online platform).

Natives may help expand human and cultural capital and close the cultural gaps relevant to refugee ventures. Furthermore, the cultural norms and values of the host country can be transferred to and learned by the refugee entrepreneurs (Kim et al., 2016). The collaboration with natives may help the venture adapt to the socio-economic environment and integrate into legal-institutional environment. Thus, the creation of social ties with natives in the
host country may increase the embeddedness of the refugee entrepreneur. Additionally, collaboration with natives may increase understanding of and access to targeted local customer market segments – and consequently embeddedness in local markets (Kloosterman, 2010; Kastanakis and Voyer, 2014).

Moreover, the entrepreneurs emphasised strengthening their primary social ties to host country contacts (e.g. mentors, incubator staff, teachers, contacts in the incubator’s network). Most of the refugee entrepreneurs and the incubator stakeholders (e.g. experts and mentors) expressed their intention to expand their collaboration in business relationships even beyond the duration of the incubation programme. One incubation stakeholder argued:

Then there is the idea, at some time, to work together with the people who are in there. If we see it’s a cool business model, people are cool, it can develop into something (Incubator stakeholder, providing content).

The results illustrate the increase of refugee entrepreneurs’ embeddedness related to individual networks as well as the new economic and political environment. We find that the refugee entrepreneurs take advantage of internal networks (offered by the incubator) as well as external networks outside the incubator’s structure within the incubation process. Our study thereby also confirms the phenomenon of interconnected business networks in the form of direct collaboration of the incubatees by also linking their peers with potential partners, customers and local business in the external network (Bollingtoft and Ulhøi, 2005). In addition, the findings of our focus group interaction emphasise the collaboration of peer refugee entrepreneurs by sharing information and proposing future business partnerships. In a previous study, Docquier and Rapoport (2012) suggested that migrant refugees from the same origin tend to collaborate in peer networks to complement one another. Incubatees’ multiple contact points with each other within the incubation process may enhance their peer collaboration, which can occur in the form of informal contact, information sharing, formal partnerships, peer mentoring or even joint ventures and the creation of synergies. As one refugee entrepreneur explained:

That is why I am partner of [peer incubated startup]. To bring all this things to [peer incubated startup] […] Not to lose them. That marketing things in [peer incubated startup] I am responsible for (Refugee entrepreneur, architecture).

We also find evidence for prosocial behaviour between peer refugees and incubatees. This finding may reflect the individual’s identification with values of solidarity, commonality and obligation of reciprocity, which are characteristic for Arab societies with collectivistic value systems such as Syria (Bizri, 2017). Many interviewees emphasised the emergence of a prosocial community in this regard:

Those [refugee entrepreneurs] who have already passed now one round of the incubator also become alumni and help the others (Incubation stakeholder, providing content).

Within this community, the more experienced refugee entrepreneurs and incubator alumni exchange knowledge and contacts with their peers. They engage in the co-creation of the incubator programme by considering the challenges and barriers to the future cohort of refugee entrepreneurs, and by doing so the incubator becomes a network “hub” (Bollingtoft and Ulhøi, 2005; Scillitoe and Chakrabarti, 2010). Finally, after the initial introduction to the local ecosystem, the incubator enables the refugee incubatees to engage in further network development through local stakeholder commitment and expanded collaboration in the host country, in order to increase their embeddedness in the new socio-economic and legal-institutional environment. At the end of the incubation programme, we observe the refugee entrepreneurs adapting to their new cultural environment by expressing their pursuit of autonomy, self-realisation and freedom through self-employment.
5. Conclusion
There is evidence in the literature that refugee entrepreneurs differ from other types of entrepreneurs. In this context, we suggest that a customised incubation model would contribute to the embeddedness of refugee entrepreneurs in the host country and increase their probability of entrepreneurial success. Our study aims to make several contributions to the existing incubation and refugee entrepreneurship literature by proposing the refugee incubator model as a new archetype of incubation models fostering the economic integration of refugee entrepreneurs. The study enables us to identify and assess key themes of particular incubation processes, and our results extend incubation model frameworks towards refugee entrepreneurship and mixed embeddedness perspectives. The study highlights the role of the incubator in the context of the embeddedness of refugee entrepreneurs in the host country. Furthermore, the results enhance understanding of refugee entrepreneur’s early-stage entrepreneurial challenges and behaviours.

5.1 Theoretical and practical implications
First, our findings suggest that the uncertain situation of refugee entrepreneurs in the host country requires a specific incubation model design. Furthermore, our findings show that a business incubator can provide access to infrastructure, resources and knowledge in the host country via a proactive introduction to local networks. Second, the results help to generate a new perspective on how refugee entrepreneurs make use of the incubation programme while expanding their local social network and creating social ties. Building upon this notion, the results of the study enhance understanding of the incubation process by considering the theoretical levels of mixed embeddedness (Kloosterman and Rath, 2001; Kloosterman, 2010). Our multi-stakeholder approach enables an in-depth view on entrepreneurial co-creation and collaboration between incubatees, incubation management, mentors and external partners as part of early-stage ventures’ integration into the start-up ecosystem. Hence, the findings accentuate the important role of the incubator in the context of social network creation, opportunity exploitation, stakeholder commitment and (founder) team building. The latter bridges to entrepreneurial team literature while giving an introductory insight into founder team diversity and complementary skills and personality profiles of teams with refugee entrepreneurs.

From a practitioner’s perspective, the results of the study help develop incubation models that support refugee or migrant entrepreneurs as well as early-stage ventures with lower levels of embeddedness in a target society and confronted with a high level of uncertainty about socio-economic and political environmental factors as well as market characteristics. From our findings, we propose that the incubator should function as a platform for cultural exchange, market understanding and integration to the ecosystem of the host country. These factors may accelerate the entrepreneurial progress of the incubatees. Offering a positive working atmosphere as well as emotional and cultural support can contribute to entrepreneurial development. Furthermore, we experienced that an iterative design approach allows for testing prototypes and contributes to a better understanding of the host country’s targeted consumer markets. Finally, we suggest that an incubation model could enable social network creation with peer incubatees as well as members of the entrepreneurial ecosystem, even beyond the incubator’s internal network. These networks again enable further knowledge exchange, sourcing and collaboration. To sum up, the insights of the study may provide a starting point from which to understand the embeddedness and integration of refugee entrepreneurs in a host country.

5.2 Limitations and future research
Our study is not without its limitations, and so this final section tries to outline these limitations and opportunities for future research. First, as the incubatees had another
cultural background, the language in the interviews and workshops was mostly English
instead of their mother tongue. Thus, we cannot completely exclude language-related
discrepancies. Second, due to the qualitative nature of our study, the findings can be
interpreted as the outcome of the particular study and setting of Syrian refugee
entrepreneurs and incubator stakeholders in Germany, which implies a specific national and
sociocultural context and a specific design of the refugee incubator. It is beyond the scope of
this paper to perform a detailed comparative analysis of various incubation programmes or
an in-depth exploration of the effects of various national and socio-economic context factors
including different cultural value systems and legal regulations. Further research
employing a comparative case study approach of similar incubation projects for refugee and
migrant entrepreneurs could provide deeper insights into best practices and the key design
parameters of refugee incubators. It would be interesting to shed light on the causal effects
of the specific features of the refugee incubation programme. Building upon this point,
research is requested comparing cases of refugee entrepreneurs receiving different kinds of
business support. Finally, our study aims to stimulate further research, using qualitative
and quantitative approaches to examine the phenomenon of refugee entrepreneurs in regard
to the dimensions of their embeddedness and integration, as well as their incubation.

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Abstract

Purpose – Although scholars have investigated how social entrepreneurs create and develop social enterprises in the penurious stable environment, how they are created in the penurious unstable environment has yet been overlooked. The purpose of this paper is to address this research gap by exploring how internally displaced individuals, despite the lack of resources, create and develop a social enterprise to serve the other displaced population in the war and conflict zones.

Design/methodology/approach – Underpinned by a biographical research design, in-depth interviews with internally displaced individuals who have created social enterprises in the war and conflict zones were undertaken. Three social entrepreneurs were chosen for this study from three different social enterprises that are created by internally displaced individuals to serve the other internally displaced people of three different countries, namely, Pakistan, Afghanistan and Syria.

Findings – The single and cross-case analysis found that internally displaced individuals deploy bricolage strategy, for example, reconfiguration of pre-existing resources and competencies (both internal and external), to start up a social venture in the war and conflict zones. They utilise pre-existing internal resources, mainly human capital, and external resources, through a frugal approach towards resources acquisitions. The authors also found that the displaced social entrepreneurs utilise resources of other displaced individuals, for example, networks, volunteers, local knowledge and financial supports mainly from older arrivals, and develop their own enterprise ecosystem within the host location to co-create and co-develop social enterprise and social values for all of them.

Research limitations/implications – The findings show that internally displaced individuals utilise bricolage strategies to create and develop socially entrepreneurial venture to serve other internally displaced individuals in the war and conflict zones. As the findings are based on three case studies, for confirmatory approach, a quantitative study with a large sample size is necessary. Furthermore, as the differences in economic, cultural and linguistic in between the home and host locations can have impact on the creation and the development of a social venture, they should be considered in the future studies.

Originality/value – This study contributes to the limited literature and studies on social entrepreneurship, specifically, to the context of unstable penurious environment. It also contributes to the literature on bricolage by extending its application from penurious stable environment to the penurious unstable environment. By exploring what and how internal and external resources are utilised to create and develop a socially entrepreneurial venture in a war and conflict zones, this study has added value to the literature on not only bricolage but also entrepreneurship in war and conflict zones.

Keywords Entrepreneurship, Social entrepreneurship

Paper type Research paper
**Introduction**

Internally displaced persons are those that have a well-founded fear of persecution due to their race, religion, nationality, political opinion or membership of a particular social group, and have moved from one part of the country to a new host location, as “they cannot return home or are afraid to do so” (UNHCR, 2017, p. 1). With social enterprises being praised for their ability to develop bottom-up, demand-driven approaches in reaching their target groups in a financially sustainable manner (Di Domenico et al., 2010), they can potentially be an alternative to the top-down relief approach for solving complex economic and social problems of internally displaced populations in war and conflict zones (Paresashvili and Erkomaishvili, 2016; Đunić et al., 2018; Milovanović and Maksimović, 2018). Recent developments in social entrepreneurship literature suggest that, despite operating in a resource-poor environment, social entrepreneurs can still develop entrepreneurial zeal by adopting a social bricolage resource utilisation strategy (henceforth, “social bricolage”) (Di Domenico et al., 2010; Desa, 2012; Desa and Basu, 2013; Kwong et al., 2017). The term “bricolage” was first coined by Levi-Strauss as “making do with whatever is at hand”, to contrast with the strategy of optimisation involving the acquisition of high quality resources that have proven capabilities for the specific application for which the resources are intended (Desa and Basu, 2013). It involves the deployment and “redemption of discarded, disused, or unwanted resources-at-hand, including physical artefacts, skills, and knowledge, in ways different from those for which they were originally intended” (Jayawarna et al., 2014). The term “at hand” has been expanded in previous studies to include resources that are readily available, internally or externally (Baker and Nelson, 2005). This could mean that bricolage is also the utilisation of hidden or untapped local resources that other parties fail to recognise, value or adequately use, and allows an organisation to thereby acquire them cheaply (Di Domenico et al., 2010), and the utilisation of the resources obtained from collaborations and partnerships (Duymedjian and Ruling, 2010; Baker and Nelson, 2005; Kwong et al., 2017). Previous studies in the context of social entrepreneurship have highlighted the importance of social bricolage in the resource mobilisation process of social enterprises (Di Domenico et al., 2010).

However, most of the existing studies on social bricolage focus on a stable, developed countries context, and our understanding is still limited as to how they influence social entrepreneurship in a penurious environment caused by war, conflict and displacement. Mobilising resources for the development of social enterprises is likely to be more challenging in the IDP context for a number of reasons. First, resource constraints can be much more severe than those highlighted in the previous studies. The insecurity, physical danger and survivalist nature of the context often pushes individuals to prioritise personal rather than social goals. This is consistent with the immigrant entrepreneurship literature which suggests that structural forces drive immigrants towards self-employment (Brzozowski, 2017). Therefore, these social enterprises are likely to experience an even more penurious environment, as resource holders often prioritise profit-seeking projects over those with less prospect of making a profit. Nevertheless, studies have repeatedly found that desperate situations often push people into social action (Lewis, 2013). Moreover, although conventional resource channels may become more limited, the social emphasis of these ventures may open new doors. Furthermore, although the main objective of social enterprises is social, many of them can also be financially sustainable. It is the question of where and how they can mobilise resources in such adverse conditions, and how they can be deployed, which is the core interest of this study.

Second, unlike social entrepreneurs in an affluent or penuriously stable environment in the host location, the connection between the internally displaced social entrepreneurs running the social enterprise, and the host location, is likely to be weak. Yet, previous studies on social bricolage have clearly indicated the importance of network and connection.
in the development process of collective social bricolage (Kwong et al., 2017; Tasavori et al., 2018). These studies have placed a high emphasis on the notion of co-creation, and the importance of complementary resources of different partners and well-wishers being effectively utilised. Many of these collaborations came from historical co-presence in the same location between the partners and the social enterprise (or the social entrepreneur), which gave them common focus, consensus and most importantly, trust between them (Kwong et al., 2017). However, there is likely to be a lack of trust and shared vision between the displaced and the host population, which means that the latter, despite being more likely to have the resources required to start up, is less willing to collaborate. This means that the resources have to come from elsewhere. Previous studies have suggested that entrepreneurs would go further to search for these resources, although the high risk associated with the war and conflict contexts could make such searches prohibitively costly and ineffective (Lee and Venkataraman, 2006). Nevertheless, deprivation could push enterprising individuals to search deeper from within (Shane, 2000). However, it remains unclear the types of external resources that social enterprises can draw from, and how they are being deployed, for the purpose of collective bricolage. Therefore, we believe that there is a clear gap in the literature in relation to the use of social bricolage in the context of displacement.

In this study, we focus on social enterprises created by displaced social entrepreneurs in war and conflict zones and explore how they mobilise resources in the face of displacement challenges, for the creation and development of socially entrepreneurial ventures and social values. The research will answer the following research questions:

**RQ1.** What are the types of internal resources that the displaced social entrepreneurs can utilise for their social bricolage endeavours?

**RQ2.** Where can displaced social entrepreneurs mobilise external resources from for their social bricolage endeavours?

**RQ3.** What is the role of social bricolage in the longitudinal resource mobilisation strategies of the social enterprises?

In the sections that follow, we first examine the theoretical framework of bricolage and within it, the different resource mobilisation strategies. We then turn our focus to the particular context of conflict and our specific cases, as well as the methodology adopted. After revealing the findings, we discuss the role of bricolage in the development of social enterprises in the war and conflict zone. We finally conclude our study, where managerial and policy implications are also discussed.

**Literature review**

In the context of resource constraints, bricolage emerges as one of the most viable resource mobilisation strategies (Fisher, 2012). The term “bricolage” was first coined by Levi-Strauss as “making do with whatever is at hand”. In the context of entrepreneurship, bricolage is generally defined as the making-do with resources-at-hand to create new entrepreneurial challenges for which the resources were not originally intended (Baker and Nelson, 2005). The utilisation of the “resources at hand” is the centre of the bricolage strategy. This could involve the utilisation of hidden or untapped local resources that other parties fail to recognise, value or adequately use, and allow the organisation to thereby acquire them cheaply (Di Domenico et al., 2010). Bricolage thus involves the “redemption of discarded, disused, or unwanted resources-at-hand, be it physical artefacts, skills or knowledge, in ways different from those for which they were originally intended” (Jayawarna et al., 2014). Similar to effectuation, the process of bricolage places great emphasis on the cognitive framework of the bricoleurs in the opportunity recognition and pursuance process (Fisher, 2012; Desa and Basu, 2013; Tracey and Phillips, 2007; Desa, 2012). In effectuation, under conditions of uncertainty, entrepreneurs
adopt a decision logic that involves first an assessment of the environmental contingencies that they could bring under their control, before exploring, through experimentation, the entrepreneurial opportunities out there that they could best capture (Sarasvathy et al., 2003). Perry et al. (2011) summarise it as: “given who I am, what I know, and whom I know, what kind of entrepreneurial activities could I pursue and what kind of enterprise could I create?” (p. 842). The contingencies include not only the financial, physical and human resources that the entrepreneurs possessed, or could get hold of, but also personal skills, experience and networks (Fisher, 2012). In bricolage, the process is similar, but the emphasis is on ways in which entrepreneurs challenge limitations set out by existing resource constraints and industry standards, practices and regulations (Desa, 2012; Weick, 1998), and “creatively reinvent” (Rice and Rogers, 1980), through the repackaging, transposing and recombining of undervalued, slack or discarded resources, be it materials, labour, skills, practices, assets or networks that are either at-hand or can be cheaply acquired (Baker and Nelson, 2005) from collaborations with others (Kwong et al., 2017). A summary of the different types of bricolage can be found in Table I. According to Baker and Nelson (2005), these resources-at-hand can be

<table>
<thead>
<tr>
<th>Description</th>
<th>Perceived advantages</th>
<th>Perceived disadvantages</th>
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<tbody>
<tr>
<td>Internal/parallel (Baker and Nelson, 2005)</td>
<td>The employment of at-hand resources that reside within an organisation. It often relies on the utilisation of a diverse repertoire of resources that were previously hoarded but which had no immediate intention of being used</td>
<td>Cost minimalisation: entrepreneurs engaged in internal bricolage often exhibit an impressive ability to get by, or do without resources that other ventures considered essential (Baker and Nelson, 2005)</td>
</tr>
<tr>
<td>Collective (Kwong et al., 2017), aka Selective (Baker and Nelson, 2005)</td>
<td>A hybrid approach supplementing internal bricolage by acquiring additional resources strategically from elsewhere. Utilising resources residing within their pre-existing personal and professional networks</td>
<td>Entrepreneurs preserve the ability to choose to embark upon the products and services they perceive will generate growth. Networks enable entrepreneurs to access a much broader variety of resources-at-hand, but is especially relevant to entrepreneurs operating within resource-poor, but particularly high-context culture and communities (Dacin et al., 2010)</td>
</tr>
<tr>
<td>Network (Baker et al., 2003)</td>
<td>The use of bricolage for a social purpose. Alongside the key constructs of bricolage, social bricolage also involves stakeholder participation, persuasion and improvisation</td>
<td>Enables social enterprises to obtain resources that would otherwise be impossible to obtain. Collaboration enables them to join up with different types of stakeholders, resulting in creative social endeavours (Tasavori et al., 2018)</td>
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**Table I.** Bricolage highlighted within the existing literature
categorised into different domains, including the inputs of physical capital such as material and infrastructure, human capital including skills, knowledge, competencies, as well as the customers and regulatory and institutional domains. These different domains will be the focus of the analysis. As with effectuation (Sarasvathy, 2008), bricoleurs starts with the means to establish the end, as opposed to the more traditional logic of causation, where the path of an entrepreneur is derived through meticulous planning to identify the most relevant product(s) and customer clientele(s).

Social bricolage refers to the deployment of bricolage resource mobilisation strategy for social purposes (Di Domenico et al., 2010). Di Domenico et al. (2010) highlight some of the key differences between bricolage and social bricolage, including the more extensive reliance on persuasion and stakeholder participation, but also, their emphasis in creating social outcomes over economic gains. Such emphasis on stakeholder participation aligns with the recent developments in the literature on bricolage, which further clarify the concept of the “resources at hand” by extending it to include both internal and external resources (Duymedjian and Ruling, 2010; Baker and Nelson, 2005; Kwong et al., 2017). Collaborations of organisation or individuals (bricoleurs) for the co-creation of values can now be considered as a bricolage strategy (Duymedjian and Ruling, 2010) known as “collective bricolage” (Kwong et al., 2017). Internal bricolage involves a great deal of scavenging of internal resources (Hewerdine et al., 2014), while collective bricolage involves collaboration and resource sharing for the co-creation of values (Kwong et al., 2017). However, collective bricolage in the generic bricolage literature tends to emphasise the for-profit business partners, including venture capitalists, formal financial institutions and shareholders, who all tend to be galvanised towards profit maximisation. In the context of social bricolage, the nature of stakeholders tends to be much more diverse. Kwong et al. (2017) highlight the involvements of multiple collaborators in social bricolage, including donors, volunteers, philanthropists, government officials, international relief organisations, other social organisations, etc. These stakeholders are highly diverse in nature, resulting in more complex relationships with their multiple objectives that cannot always be easily aligned.

Social bricolage is particularly relevant to our study’s context. Both displacement and the non-commercial nature of social enterprises have created a double whammy of resource paucity and cause more resource mobilisation challenges than in a more conventional context. Organisations adopt different strategies in different types of penurious environments (Anderson et al., 2010). Therefore, although previous studies have explored the use of social bricolage in various penurious environment contexts, and have found a number of factors to be both facilitative and yet a hindrance to the adoption of bricolage (Kwong et al., 2017), these factors may be different from those found in the specific context of displacement. The challenges of implementing social bricolage in our specific context are yet to be fully understood. First, the resource context of displacement is different from other forms of penurious environment, and second, the motives of the displaced social entrepreneurs may be very different from commercially orientated enterprises seeking to maximise profits. Whetten (1989) emphasises the importance of both comprehensiveness and parsimony in the development of theory in business and management research, and it is important to understand, in the context of displacement caused by war and conflict, the factors that stand out as crucial for displaced entrepreneurs to start up and then develop a socially entrepreneurial venture. With the call for greater emphasis on the utility of practice (Corley and Gioia, 2011), integrating empirical displacement research into the existing bricolage framework is important in advancing the scope of knowledge, and could offer a different perspective in the wider debate of displacement supports (Strang and Ager, 2010). To do so, we need to understand, first, the specificities of the penurious environment of displacement; second, the specific resources that displaced social entrepreneurs deployed in the context that they faced and whether these were internally pre-possessed or acquired
opportunities and challenges in deploying social bricolage as a resource mobilisation strategy in the displacement context

From the literature of displacement, it is apparent that displaced entrepreneurs face some significant resources challenges (Hobfoll, 2001), which could affect the extent to which the strategy of bricolage can be deployed. Unlike in other penurious environments, the entrepreneurs often face a rapid deterioration in their personal circumstances in the contexts of war and conflict (Cheung and Kwong, 2017). Many displaced people have suffered from personal possessions being stolen, confiscated or destroyed, premises illegally occupied, or resources simply left behind due to the immobile nature of property and other physical resources (Assaf and El-Fil, 2000), leaving them with very little physical capital at their disposal. This is in contrast with the context faced by social bricoleurs in the previous studies, where social entrepreneurs possess essential physical resources to start up a social enterprise, or which are accessible through formal finance (Tasavori et al., 2018; Kwong et al., 2017). The restricted availability of physical resources in the context of displacement is likely to particularly affect their ability to pursue a social bricolage strategy. Kwong et al. (2018), for instance, highlight the struggle and the prioritisation of physical resources for personal rather than social or business uses. In one case, as the interviewee spent most of their capital on a new house, they were left with very little money to find a suitable and affordable place for the business.

To overcome this, the existing literature (e.g. Kwong et al., 2017) has suggested that bricoleurs can apply broad sets of human capital, ranging from manpower to rudimentary skills and craft knowledge that they pre-possessed, to defy and stretch the defined limitations of their limited array of resources to create new products and services (Rönkkö et al., 2014). However, there may be a mismatch between the skills and competencies possessed, and the skills and competencies that are in demand in the host location (Sinclair et al., 2001). A narrative presented by Kwong et al. highlights this particular problem:

(In my hometown) women made beautiful “shakors” (baskets) that are used to keep “roti” (i.e. staple bread) in […] There the market was very far away (remote) so usually they make those things at home and the people living in the same village used to buy it from there. But here (the host location) people prefer to buy things made up of plastic. The women spend around 2 to 3 days to make one shakor and charged for 150 or 100rs. But people would rather buy those made up of plastic for only Rs. 50 to Rs. 100. Because of the decreased demand, I think therefore they stopped making it.

This suggests that the ability to effectively utilise one’s own skills, knowledge and competencies is far from guaranteed. There are also other skills and types of knowledge that are hard to possess for the displaced individuals. Studies, such as, Cheung and Kwong (2017) have looked at how Chinese entrepreneurs in the Second World War survived and developed their business ventures under warfare and foreign occupation, and found localised bricolage to be crucial to such endeavours, relying heavily on the local market knowledge, norms and sectoral knowledge, as well as local networks, that the affected entrepreneurs possessed. However, while equally affected by war and conflict, the local resources and know-how that those who remained at home possessed are precisely what the displaced social entrepreneurs lacked in the host environments. Different market demands, preferences, industry standards, norms and operational processes could mean that their prior competencies may not be fully transferable (Duvander, 2001; Krahn et al., 2000). Furthermore, their lack of familiarity with the institutional context and regulatory environment could be the stumbling block (Cheung and Kwong, 2017; Krahn et al., 2000). Thus, if the displaced people are to develop social enterprises through bricolage, they may
need to deploy different sets of resources and skills. Nevertheless, the displaced population could still regain new resources in the host environment. Since it is unclear from the existing literature the type of resources that would be crucial for bricolage in the context of displacement, we argue that such a context creates a very specific situation in which a theoretical extension from the existing bricolage theory is required. The above discussions lead us to our first research question:

**RQ1.** What are the types of internal resources that the displaced social entrepreneurs can utilise for their social bricolage endeavours?

With resource limitations in the context of displacement, collaboration is likely to become crucial. The notion of collective bricolage refers to the use of a hybrid approach supplementing internal bricolage by acquiring additional resources strategically from elsewhere. Such bricolage is most likely to involve the utilisation of resources residing within their pre-existing personal and professional networks, through different forms of business networks and partnership arrangements. Recent studies have found that collective bricolage is the most crucial resource mobilisation strategy for social enterprises, charities and non-profit organisations because of the non-competitive, mutually beneficial co-creation discourse that is prevalent within the sector (Kwong *et al.*, 2017; Tasavori *et al.*, 2018; Lewis, 2013; Huybrechts *et al.*, 2017; de Bruin *et al.*, 2017). They have also examined how social entrepreneurship operates in the context of resource paucity and found that collective bricolage involves very different stakeholders compared to commercially orientated organisations (Kwong *et al.*, 2017). Collective bricolage often involves donors, volunteers, policy makers and other social organisations, who would not become particularly interested or involved in commercially orientated ventures (Kwong *et al.*, 2017). Many of these parties respond at the time of emergency or disaster (Wenger, 1991), particularly when they feel physically, culturally or cognitively close to those being affected (Lowe and Fothergill, 2003). Social enterprises are often only made possible by mobilising these resources (Miller *et al.*, 2012). Because of this, the nature of their relationship tends to be different from commercially orientated organisations. Due to resource constraints, collaboration tends to be much more cost conscious, with some (e.g. Kao *et al.*, 2016) highlighting the use of low-cost operational platforms such as social media as being more crucial in the co-creation of values. Trust in the relationships between the stakeholders is also a crucial element to encourage them to engage in the values co-creation process (Ferguson *et al.*, 2016).

Studies have suggested the crucial role of pre-existing networks for immigrants in their entrepreneurial endeavours, and their economic adaptation process (Brzozowski, 2017; Sanders and Nee, 1996; Kalnins and Chung, 2006). Nevertheless, while conventional social enterprises based in home locations may have already established networks, relationships, trusts and presence in social media, this may not be the case in the context of displacement where the social entrepreneurs may need to develop new networks, relationships, trustworthiness and other resources (Bizri, 2017; Cheung and Kwong, 2017) as they have usually left behind the previously developed and accumulated resources in the home locations (Assaf and El-Fil, 2000). The networks developed in home locations could be obsolete in the host locations. All these factors suggest that collective bricolage is likely to be even more crucial, but different, and a better understanding could enhance our understanding in terms of how resources utilisation can be applied by social enterprises in the displacement context. However, as mentioned, the multiple stakeholders often have different agendas and want to get different things out of the collaboration. Therefore, it is unclear how consensus can be obtained, and how the negotiation process is likely to affect the scope of the collective bricolage outcome in addressing social concerns (Kwong *et al.*, 2017). In the context of conflict, the number of stakeholders who provide financial donations and are content to remain dormant in the relationship is likely to be reduced.
Instead, collaboration is likely to involve manpower and human capital support by volunteers, or reciprocal partners such as other social organisations. While the social entrepreneurs work with stakeholders to provide them with additional resources, many of the stakeholders are equally affected by the conflict and are, therefore, looking for supportive partners for exactly the same reason. The above discussions lead us to the second research question:

RQ2. Where can displaced social entrepreneurs mobilise external resources from for their social bricolage endeavours?

Bricolage and resource mobilisation strategy in the long run

So far, very few studies from within the existing literature on bricolage discuss how the resource mobilisation strategies of social enterprises affected by the issue of displacement may change over time. Some studies have suggested that social entrepreneurs do indeed augment their strategies constantly to develop a good fit with the demands of those in need of support. Tasavori et al (2018) noted considerable changes over time in bricolage activities developed by social enterprises. This involved changes in market, products and services, although the authors argued that such changes are more likely incremental rather than radical. Kwong et al. (2017) found that social enterprises are often involved in different types of collaboration activities with different resource partners over time. Literature on conflict and displacement also highlights a possible change in reliance on bricolage over time. For instance, Cheung and Kwong (2017) found that while all three of their cases engaged in local bricolage during the Second World War, only two out of three continued with such a strategy when peace resumed. Leng (2010), in a biography of a Chinese entrepreneur who started his first business during the war through collective bricolage, found that he gave up collective bricolage and opted for an optimisation resource mobilisation strategy predominantly utilising formal finance for expansion. However, these were not displaced individuals and they were able to draw from crucial local resources when the conflict was over; displaced social entrepreneurs do not have the same luxury as conflict is ongoing. Therefore, how displaced social entrepreneurs continued to develop their social enterprises remains unknown. The above discussions lead us to the third and final research question:

RQ3. What is the role of social bricolage in the longitudinal resource mobilisation strategies of the social enterprises?

Methodology

The research questions highlighted in the literature review are practice-orientated in nature, intending to give voice to the practitioner regarding their issues and challenges that many suggested were often neglected in academic research (Garman, 2011). Bartunek and Rynes (2014) suggest that it would be important for academics to understand the point of view of the practitioners, because of the prevailing logic, communication and inquiry time gaps between the 2. Therefore, it is necessary for us to understand not only how a concept such as bricolage operates as a theoretical framework, but also their pragmatic implementations in order for people in the context of displacement to thrive or even to simply survive. Therefore, our role is to examine, from the implementation point of view, how practitioners utilise different resources in starting a business, and, in turn, how their patterns can be fed into the existing academic discussions of bricolage as a theoretical construct. While there has been a question in terms of rigour of practitioner or practice-orientated research, Tranfield and Starkey (1998) suggest that research problems framed in the context of application can remain relevant and yet be rigorous, although according to Garman (2011), it requires academics to widen their self-identification, by embracing practitioners as people
who can help to define and frame the dilemma and decisions in ways that lend themselves to scholarly inquiry. Through such an approach, we found that there are similarities, but also, notable differences, between entrepreneurs and social entrepreneurs operating in a generally resource constrained environment, and those that operated under the conditions of displacement. This allows us to propose changes to the existing theories of bricolage, thus making a theoretical contribution.

In the penurious context of displacement where few current studies exist, we pursued a qualitative multiple case study design to extend theory into this context (Graebner et al., 2012) and to generate new theoretical and managerial insights (Yin, 2013). Multiple cases permit replication logic (Yin, 2013) and lead to more robust, generalisable theory than a single case (Eisenhardt and Graebner, 2007). The extensive effort required to extract longitudinal details, that is, essential in the study of bricolage and the difficulties in finding suitable informants for the restricted context of conflict (Goodhand, 2000) means that we had to restrict the number of social entrepreneurs to 3. The number is consistent with previous research using an in-depth qualitative approach such as Jack et al. (2010), but also, more specifically, studies of the conflict situation such as Cheung and Kwong (2017), where the authors collected three historical cases from three main informants using interviews gathered by three different teams. In our case, there were considerable difficulties in obtaining data from informants as many were scared and hence, were reluctant to give interviews to an “outsider” who was not part of their community. Furthermore, in the situation of displacement, and in the developing country context where the social safety net is inadequate, few displaced individuals were able to establish a social initiative for other displaced people, as they would first need to look after themselves and their family. Therefore, the difficulty in finding adequate information in a single country means that the data are gathered from war and conflict situations that took place in three countries. The multiple case, multiple context approach is particularly appropriate in a young field characterised by its emergent nature, consistent with previous studies such as Terjesen and Elam (2009). The interviews were collected by different authors, and consequently, there are differences in terms of content and forms displayed (Table II). In one case, the work relied on oral history materials given that the social entrepreneurial activities took place over half a century ago. In the other two cases, the biographical data emerged in the interviews. This is consistent with McCracken (1988) who suggests that a longitudinal interview can be viewed as a form of biography. Thus, “a reflective, biographical interview of an owner/manager can uncover how the firm has evolved since its inception, as well as gaining insight into owner/manager attitudes and behaviours. This longitudinal perspective can give greater confidence to the research findings, especially if a number of biographical cases are compared and contrasted” (Fillis, 2015). Previous studies have suggested that the re-using of archival materials is not uncommon in biographical research as long as they are being carefully deconstructed and recontextualised (Tureby, 2013). Such an approach can also be considered appropriate because our focus is on the referential function of the narrative (i.e. the sequence and responses) rather than feelings and emotions.

Our study follows the biographical research method (Bornat, 2008; Merrill and West, 2009; Grele, 1996; Thompson, 2000) focussing largely on the establishment of facts surrounding the entrepreneurial decisions taken by the three social entrepreneurs during the period of displacement (Portelli, 2006; Thompson, 2000). These social entrepreneurs engaged in two types of social enterprise as defined by Defourny and Nyssens (2017): entrepreneurial non-profit organisations and social businesses. Both forms of social enterprises apply the notion of entrepreneurship in the process of solving social problems, but the difference lies in that while the former emphasises financial sustainability (Mair and Marti, 2006), the latter operates in a commercially orientated fashion which enables them to sometimes even become profitable (Defourny and Nyssens, 2017).
<table>
<thead>
<tr>
<th></th>
<th>Syrian worker</th>
<th>Pakistani teacher</th>
<th>Chinese nunery student</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main source</strong></td>
<td>Interviews conducted by a researcher in the UK when the social entrepreneurs received refugee status and were studying at a university. Both original (unedited) audio tapes and transcripts were generated.</td>
<td>Interviews conducted by a local researcher as part of a research project on Internal Displaced Entrepreneurs in Pakistan. Both original (unedited) audio tapes and transcripts were generated.</td>
<td>Interviews conducted by a local researcher over a number of meetings as part of the Hong Kong Oral History Archive (2004) Project, with both the original (unedited) audio tapes and transcripts being published as 048 in the archive.</td>
</tr>
<tr>
<td><strong>Structure</strong></td>
<td>Open-ended, unstructured</td>
<td>Open-ended, unstructured</td>
<td>Open-ended, unstructured</td>
</tr>
<tr>
<td><strong>Length of narratives</strong></td>
<td>Around 2 hr in total</td>
<td>Around 1 hr</td>
<td>Around 2 hr</td>
</tr>
<tr>
<td><strong>Interview style</strong></td>
<td>Non-interventionist, unhurried, free-flowing to establish rapport (Bourdieu, 1993), evidence of thematic approaches being taken. In subsequent follow ups, questions were asked to consolidate the timeline of the different projects involved.</td>
<td>Non-interventionist, unhurried, free-flowing to establish rapport (Bourdieu, 1993), topic hopping (Thompson, 2000), chronological then by themes. In subsequent interviews, questions were asked to consolidate the timeline.</td>
<td>Non-interventionist, unhurried, free-flowing to establish rapport (Bourdieu, 1993), topic hopping (Thompson, 2000), chronological then by themes.</td>
</tr>
<tr>
<td><strong>Major themes covered</strong></td>
<td>Social business experience, educational background, war, family and friends, political involvements, personal context embedded in a larger temporal, social context. Some elaboration on second-hand information, such as rumour or hearsay.</td>
<td>Business experience prior to conflict, business failure after displacement, teaching and tutoring experiences, family and friends, educational background, war, displacement, discrimination in host location, personal context embedded in a larger temporal, social context. Some elaboration on second-hand information, such as rumour or hearsay, but the interviewers would ask the interviewees to clarify how these events were connected to their lives.</td>
<td>Social business experience, life in nunery, educational background, war, displacement, personal context embedded in a larger temporal, social context. Some elaboration on second-hand information, such as rumour or hearsay, but the interviewers would ask the interviewees to clarify how these events were connected to their lives.</td>
</tr>
<tr>
<td><strong>Supporting sources</strong></td>
<td>Narratives from the context through primary and secondary sources. Secondary sources include a number of transcripts collected by the author teams on related projects</td>
<td>Narratives from the context through primary and secondary sources. Secondary sources include a number of transcripts collected by the author teams on related projects</td>
<td>Narratives from the period context through primary and secondary sources. Secondary sources include narratives collected by the authorship team on related projects, other narratives in the Hong Kong oral history archive, and books recording lives in Hong Kong during the time.</td>
</tr>
<tr>
<td><strong>Data storage</strong></td>
<td>Stored in the work computer of the corresponding author.</td>
<td>Stored in the work computer of the corresponding author.</td>
<td>In public domain as 048 at the Oral History Archive</td>
</tr>
<tr>
<td><strong>Field issue</strong></td>
<td>Convenience sampling: the interviewer came to know of the interviewee through a social entrepreneurship event organised at a university.</td>
<td>Convenience sampling: the interviewer knew of a local gatekeeper from work context, who then recommended the interviewee to the interviewer.</td>
<td>Convenience sampling: the project aimed to record the life stories of people in Hong Kong from all walks of life.</td>
</tr>
</tbody>
</table>

Table II.
Comparison of the interviews taken in the three cases of displaced social entrepreneurs.

(continued)
biographical research approach is becoming increasingly common in the context of social entrepreneurship (Chandra, 2018; Froggett and Chamberlayne, 2004; Chandra and Shang, 2017). It is useful because it enables us to reflect on how their personal characters, previous experiences, connections and key events in their life as a social entrepreneur could impact upon the resources that they can draw from, the people potentially involved in the venture process, and the eventual action that shapes the nature and size of their social enterprises specifically in the context of displacement (Chandra and Shang, 2017). Our intention is to explore not only the entrepreneurial actions taken by the social entrepreneurs but also the competencies that they acquired throughout their lives and their attitudes towards various issues that may have affected business decisions. Our chosen approach is particularly suitable for this research because, first, of the longitudinal nature of biographical histories that are highly suitable to a change-orientated topic such as bricolage (Melin, 1992); second, a biographical approach offers us a depth of information containing thoughts, ideas, emotions and attitudes that is not limited to those officially recorded (Duchek, 2018; Ruebottom and Toubiana, 2017); third, biographical methods offer greater opportunity for contextualisation (Fillis, 2006). The research participants can offer reflections about what had happened, which enables us to understand the different possibilities other than the one that was eventually acted upon (Froggett and Chamberlayne, 2004). It helps in understanding the ways in which different relational ties and social connections could affect the shaping of the ventures (Ruebottom and Toubiana, 2017). It also sheds light on how the entrepreneurs dealt with critical situations and failure and which factors had an influence on the venture development processes. Finally, our emphasis on individual testimonies that detail the local, native and marginalised points of view most often ignored by mainstream historical sources is particularly important in the context of displacement where records were completely destroyed or only very few were kept (Thompson, 2000; Portelli, 2006).

Finally, secondary data were also used to explore the context behind the war, conflict and displacement. These include news and magazine articles, academic journal articles, book chapters and narratives from interviews of other respondents in related projects that helped to further make sense of the biographical data collected through interviews (see Table II). Secondary resources in Arabic, Chinese and Pashto were translated by the authors into English, to conduct further analysis. It is not unusual for biographical researchers to work with a range of data including diaries, notebooks, interactive websites, videos, weblogs and
written personal narratives. The interventionist approach where face-to-face interviews are conducted, to a more detached approach to collect accounts similar to an archive, helps to make sense of the biographical accounts.

**Data analysis**

The analysis was conducted first within each case and then a cross-case comparison was carried out. The heterogeneity of the entrepreneurial process experienced by different individuals (Shane, 1999, 2000; Baron, 2006; Baron and Ensley, 2006) implies bricolage can only be understood if we have a clear view of the antecedents, in terms of the skills, knowledge, competencies, resources and network developed, personally and as part of the business, behind each of the events (Kwong et al., 2017). It is important to note that, consistent with Berends et al (2014), the above recorded do not represent the full range of activities in which the social entrepreneurs have taken part but, rather, those that the interviewees have personal experience of, and first-hand information about.

Second, following the approaches of Strauss and Corbin (1998) and Saldaña (2015), we applied multiple coding schemes to identify five relevant issues based on our conceptual framework. In the first round, we deployed *a priori*, categorical coding to highlight the following issues (the data structure is reported in Table III):

- Nature of bricolage: this involves the consideration of whether and how the event fulfils the criteria of bricolage outlined in the study of Baker and Nelson (2005).

<table>
<thead>
<tr>
<th>Aggregate headline categories</th>
<th>1st order analysis</th>
<th>2nd order analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event categorical information</td>
<td>Name of social entrepreneur</td>
<td>Made-do/refusal to be constrained by limitations</td>
</tr>
<tr>
<td></td>
<td>Number of economic activity by sequence</td>
<td>Reconfiguration of resources at hand</td>
</tr>
<tr>
<td></td>
<td>Nature of the event</td>
<td>Improvisation</td>
</tr>
<tr>
<td></td>
<td>Description of the event</td>
<td>Stakeholder participation/collective bricolage</td>
</tr>
<tr>
<td></td>
<td>Social bricolage</td>
<td>Social value creation</td>
</tr>
<tr>
<td></td>
<td>Other resource mobilisation strategies (emerging code – when the 2nd order categories of social bricolage were not met)</td>
<td>(Emerging 2nd order categories regarding the nature of the strategy)</td>
</tr>
<tr>
<td>Resource utilised in the event</td>
<td>Internal (pre-existing resources)</td>
<td>Physical capital/infrastructure</td>
</tr>
<tr>
<td></td>
<td>Human capital/labour</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social capital/network</td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>External (collective bricolage, co-creation, collaboration)</td>
<td>Physical capital/infrastructure</td>
</tr>
<tr>
<td></td>
<td>Human capital/labour</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social capital/network</td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td></td>
</tr>
<tr>
<td>Bricolage outcomes</td>
<td>Economic</td>
<td>Self-subsistence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financially sustainable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profitable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expansion (growth)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Failure/closure</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>Depth of social outreach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Breadth of social outreach</td>
</tr>
</tbody>
</table>

Table III. Data structure
These criteria were the actions of making-do, refusal to be constrained by limitations and improvisation.

- Pre-existing resources and capabilities utilised: this considers the repertoire of internal resources that was utilised in the event. For this part, we first draw on the resource domains highlighted in the study of Baker and Nelson (2005) as the basis of our categorisation, but later also include those emerging from the findings, for instance, resources acquired from pre-existing networks.

- Co-creation through external resources utilisation: this is similar to the above, but considers the resources acquired from external sources. The category is consistent with the notion of network bricolage of the study of Baker et al (2003), and the later notions of external and collective bricolage of the studies of Tasavori et al. (2018) and Kwong et al. (2017).

- Bricolage outcomes: this considers the economic and social outcomes of the event in terms of size, incomes and growth. In addition to that, we also recorded the subjective feeling of the entrepreneurs, and in particular, how satisfied they had been with the event. In some cases, an event may even be considered as successful in terms of the economic outcomes achieved, despite the entrepreneurs not being happy because the outcome has not met his/her expectations.

Once we have completed the first round of coding, we then look for new coding categories based on the emerging themes.

As suggested by Yin (2014), secondary data can serve to corroborate and augment the data obtained from key informants. For instance, when analysing the data, whenever we found that some pieces of information were missing, we consulted with information that we obtained through secondary data, including archives of newspapers, and war records stored in the National Archive, but also, biographies and narratives of those who had similar war and displacement experiences. The different sources of information enabled us to obtain information that was not discussed or reported in the interviews and allowed us to further investigate discrepancies found between the different sources.

**Findings**

*Internal resources utilisation in the development of social bricolage by the displaced social entrepreneurs*

The contexts of the three social entrepreneurs and the social enterprises that they were involved in are highlighted in Table IV, while the different business and social entrepreneurship activities that each of the social entrepreneurs was involved in can be found in Table V. The initial case that is the focus of this section is highlighted as S2 (Syrian worker), P3 (Pakistani teacher) and C1 (Chinese nunnery student) in the table. The cross-case analysis reveals three key themes in relation to internal resource utilisation among the displaced social entrepreneurs: the heavy reliance on internal skills and competencies, dependence on social networks and the absence of internal physical resources. These will be discussed as follows.

*Recombination of internal skills, knowledge and competencies for new purposes.* With physical capital being in short supply, skills, knowledge and competencies instead became the main internal resources that the social entrepreneurs utilised. Two of the displaced social entrepreneurs developed an education initiative in their own location and for them, prior skills, knowledge and competencies were crucial. In the case of the Pakistani teacher, both his prior education and previous teaching experiences as private tutor and locum teacher enabled him to take over the ownership of a failing school. In the case of the Chinese nunnery student, she established a school within the Buddhist nunnery where she was
<table>
<thead>
<tr>
<th></th>
<th>Syrian worker</th>
<th>Pakistani teacher</th>
<th>Chinese nunery student</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country context</strong></td>
<td>Syria</td>
<td>Khyber Agency (Northwest Frontier) of Pakistan</td>
<td>Hong Kong</td>
</tr>
<tr>
<td><strong>Conflict context</strong></td>
<td>During the Arab Spring, thousands of civilians went onto the street to oppose to Assad’s autocratic regime. This led to a series of mass anti-government protest that quickly escalated into armed rebel groups, eventually leading to a full-scale civil war resulting in a significant period of bloodshed. The conflict has resulted in considerable instability within Syria, with the country becoming segmented and falling into the control of different militia groups. During the early 2000s, there was Taliban uprising in the tribal autonomous areas which was followed by conflict with the Pakistani Army. In the late 2000s, many civilians escaped from both the Taliban regime and the resulting conflict</td>
<td>Father and uncle were involved in an import–export business prior to displacement. He was involved in the family business, but also intended to further his education. His brothers were in full-time education.</td>
<td>During the Second World War, Hong Kong was occupied by Japan. The economic situation was tough under Japanese occupation, as Hong Kong was seen as an important battlefield. Therefore, it remained under the direct control of the Imperial Army, rather than being returned to the civilian rule as in other parts of the occupied zone. Blockade and continuing warfare meant that supply of goods including essential food stocks was significantly disrupted</td>
</tr>
<tr>
<td><strong>Personal context prior to displacement</strong></td>
<td>Just completed undergraduate education in her hometown. She also volunteered for the Red Crescent during her study.</td>
<td></td>
<td>A boarding student studying Buddhism in the nunery. At the time, Buddhists students and scholars typically came from different villages in Hong Kong and the nearby Kwangtung province in China, Taiwan, Southeast Asia and Japan. They lived a relatively peaceful/simple life prior to the war, sharing responsibilities in the nunery based on their expertise, including maintenance, food preparation, cooking and teaching others. No formal education. Learnt through traditional Chinese education, then through Buddhist education in nunery while teaching juniors at the same time. When the war broke out with the Japanese Army invading Hong Kong, most people left the nunery and returned home (Tung Lin Court Yuen, 1961). Teachers fled, students fled whilst some were “forcibly” hired by the Japanese as workers or translators. Those whose home was affected become displaced, and continued to stay in the nunery.</td>
</tr>
<tr>
<td><strong>Educational context</strong></td>
<td>Educated to degree level in a science, technology, engineering and mathematics-related discipline</td>
<td>Completed secondary education and was about to enter higher education.</td>
<td></td>
</tr>
<tr>
<td><strong>Personal context after displacement</strong></td>
<td>Her hometown was badly affected by the conflict. She eventually left for the UK. She obtained refugee status in the UK and also embarked upon full-time study.</td>
<td>His father split his business with his uncle. His father started a new business in the host location, but due to lack of local knowledge, he was repeatedly being deceived and eventually declared bankrupt.</td>
<td></td>
</tr>
</tbody>
</table>

Table IV. 
Family profile and pre-entrepreneurship experiences of our three displaced social entrepreneurs.

(continued)
based, utilising her literacy skills. These were clear made-do attempts, as neither of them were fully qualified teachers. The Chinese nunnery student only had a Buddhist education background and no qualification in teaching. Because of that, she was only teaching basic literacy and numeracy. From the viewpoint of her target group, her literacy skills were deemed adequate to meet the expectations of her students, many of whom were previously illiterate and simply wanted to learn to read and write, or were school children with few or no alternative options available. In order to utilise the skills, knowledge and competencies, there was also a need to reconfigure them towards the needs of their social enterprises. For instance, the Pakistani teacher also spoke of the shift of workload from a predominantly teaching role towards much more involvement in administration.

**Utilisation of pre-existing social capital.** Pre-existing social capital was also utilised. In the case of the Syrian worker, the crucial social capital was her ability to mobilise like-minded individuals through pre-existing social media connections. Finding like-minded people from the social networks enabled them to form the original start-up team involving three students, two of whom were from the conflict zone and one from the capital, the government stronghold and one of the most popular host locations. They discussed extensively, through Facebook, different ways to help those in need. The communication enabled them to develop clarity in terms of the types of social actions that they could pursue:

When the conflict started, people fled the provincial cities and were going into cities that were safer, such as the capital. One issue that occurred to us was that these people needed shelter. Many of them were homeless, without anything. Some people in these cities began to lend out their spare houses. Some rich people may have three houses in the capital and they don’t use them, or only for rental […] We realised that we could gather information on the people who own these houses and the people who need these houses. We could keep a registry of it and do the matching, with no payment.

Furthermore, their social networks were also crucial in reaching out to others who wanted to become involved in their social cause. Although using connections from social arenas does have problems in terms of the breadth of outreach to the most qualified people, it was an effective made-do strategy. Careful reconfiguration of the connections was important because not everyone agreed with their political and social viewpoints. The reconfiguration of these internal connections to the new social enterprise required careful checking of the background

<table>
<thead>
<tr>
<th>Surviving the conflict</th>
<th>Syrian worker</th>
<th>Pakistani teacher</th>
<th>Chinese nunnery student</th>
</tr>
</thead>
<tbody>
<tr>
<td>After graduation, she became a project worker for a school, then a school outreach manager for an electrical company, in the rebel held area that was later besieged by the government’s force. She eventually left for the UK</td>
<td>Initially became a private tutor for displaced students. She then also worked as a locum teacher in a local school</td>
<td>Initially the Buddhist students and monks within the nunnery relied on donations from well-wishers to survive, which rapidly declined due to conflict. They also grew their own food, but was not enough to feed all</td>
<td></td>
</tr>
<tr>
<td>Noticed a high level of homelessness among those who left the conflict regions to the capital</td>
<td>One of the consequences was that many schools were destroyed, and children in the region had no school to attend. Many displaced persons made a relatively short journey crossing the conflict zone and into the nearby towns and cities, including Peshawar, the provincial capital, where this case is based</td>
<td>Noticed that children were without school since all schools in the territories had been closed down</td>
<td></td>
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</tbody>
</table>

Table IV.
<table>
<thead>
<tr>
<th>Resource mobilisation strategy and rationales behind the opportunity and demand</th>
<th>Utilisations of pre-existing resources</th>
<th>Utilisations of newly acquired resources</th>
<th>Made do</th>
<th>Reconfiguration resource at hand</th>
<th>Improvisation</th>
<th>Perceived outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syrian worker</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>S1</td>
<td>Worked as a project worker, then manager, for different companies. The role with the latter involved outreach to schools (employment not bricolage)</td>
<td>Human capital: university education as prerequisite to the graduate level jobs</td>
<td>None</td>
<td></td>
<td></td>
<td>Income generation</td>
</tr>
<tr>
<td>S2</td>
<td>Tackled homelessness by mobilising friends through Facebook to register information about the landlord and potential tenants. They then used the information to distribute empty houses/flats to displaced individuals (Social bricolage)</td>
<td>Human capital: her knowledge of the displaced area which enabled the social enterprise to verify the identity of the displaced applicants Social network: reconfigure her own personal friendship network for the purpose of idea formulation and team forming</td>
<td>None</td>
<td>Social network: collaborators’ connection with the landlords, as well as with potential tenants Human capital: local knowledge both of the displaced location and of the host locations to identify the relevant landlords and tenants</td>
<td>X</td>
<td>Created social impact with sustainability</td>
</tr>
<tr>
<td>S3</td>
<td>Supported children’s education by pairing up books from donors and then distributing them to the households with children on their list (Social bricolage)</td>
<td>Physical capital: re-used the database of displaced individuals created for S2 Human capital: pool of volunteers developed in S2. Her own knowledge of school networks from S1 to develop network of schools, potential book donors and children in need of books</td>
<td>None</td>
<td>Social network: collaborators’ connections with those with spare, idle and unwanted textbooks, bookstore managers and philanthropists</td>
<td>X X X</td>
<td>Created social impact with sustainability</td>
</tr>
<tr>
<td>S4</td>
<td>Supported the distribute of medicine by pairing up professionals with pharmacists, hospitals and pharmaceutical companies that were willing to help (Social bricolage)</td>
<td>Physical capital: re-used the database of displaced individuals created for S2. Also, re-used the database of philanthropists created in S3 Human capital: pool of volunteers developed in S2</td>
<td>None</td>
<td>Social network: collaborators’ connections with hospital, medical and pharmaceutical companies, and philanthropists</td>
<td>X X X</td>
<td>Created social impact with sustainability</td>
</tr>
</tbody>
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(continued)
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<tr>
<th>Resource mobilisation strategy and rationales behind the opportunity and demand</th>
<th>Utilisations of pre-existing resources</th>
<th>Utilisations of newly acquired resources</th>
<th>Made-do</th>
<th>Reconfiguration of resource at hand</th>
<th>Improvisation</th>
<th>Perceived outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>S5 Supported employment of displaced individuals by connecting those who needed a job with those in need of labour (Social bricolage)</td>
<td>Physical capital: re-used the database of displaced individuals created for S2</td>
<td>Social network: collaborators’ connections with potential employers and in a wide range of industry sectors</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Created social impact with sustainability</td>
</tr>
<tr>
<td></td>
<td>Human capital: pool of volunteers developed in S2</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>S6 Developed a microfinance scheme for displaced entrepreneurs by linking financiers with those in need of start-up funds (Social bricolage)</td>
<td>Physical capital: re-used the database of displaced individuals created for S2. Also, re-used the database of philanthropists created in S3</td>
<td>Social network: collaborators’ connections with philanthropists and venture capitalists</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Created social impact with sustainability</td>
</tr>
<tr>
<td></td>
<td>Human capital: pool of volunteers developed in S2</td>
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**Pakistani teacher**

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<tbody>
<tr>
<td>P1 Worked in the shoe store that his father set up in the hope to return to status quo (Optimisation through acquisition not bricolage)</td>
<td>Human capital: his family’s previous experience in owning and running an import–export business at home</td>
<td>Physical capital: obtained property through the splitting of previous business</td>
<td>X</td>
<td></td>
<td>Bankrupted due to lack of local info and was deceived</td>
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<tr>
<td>P2 Self-employed personal tutor/locum teacher from home as noted a demand for education for displaced children (Self-employment not Bricolage)</td>
<td>Human capital: knowledge of the curriculum from his personal education Social capital: clandestine customers, home network as agent to find school children</td>
<td>None</td>
<td>X</td>
<td></td>
<td>Subsistence income</td>
<td></td>
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<tr>
<td>P3 Bought a failed school that he was involved in as an <em>ad hoc</em> teacher (Social Bricolage)</td>
<td>Human capital: his knowledge of the school through <em>ad hoc</em> teaching; knowledge of the demand from the displaced population</td>
<td>Physical capital: acquired the site of the school, infrastructure and licence through the previous headmaster Human capital: acquired the admin skills, school licence, finance from previous head teacher Social capital: through network of the</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Profitable and also served a social purpose</td>
</tr>
</tbody>
</table>

Table V.

Co-creation of social ventures through bricolage
<table>
<thead>
<tr>
<th>Resource mobilisation strategy and rationales behind the opportunity and demand</th>
<th>Utilisations of pre-existing resources</th>
<th>Utilisations of newly acquired resources</th>
<th>Made-do</th>
<th>Reconfiguration at hand</th>
<th>Improvisation</th>
<th>Perceived outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P4</strong> Expanded the existing school (Optimisation thru Expansion Not bricolage)</td>
<td>Physical capital: taught existing materials developed in P3 Human capital: existing set up developed in P3</td>
<td>Physical capital: acquired new premises through formal loan</td>
<td>head teacher, cheap stationery from different sources. Plot of land</td>
<td>Increased both profitability and outreach</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>P5</strong> New franchise schools in the district, as A.3 being highly profitable (Optimisation through franchising Not bricolage)</td>
<td>Physical capital: taught existing materials developed in P3 Human capital: existing set up developed in P3</td>
<td>Financial capital: input from franchisees</td>
<td></td>
<td>X</td>
<td>X</td>
<td>Created social impact and became sustainable</td>
</tr>
<tr>
<td><strong>Chinese nunery student C1</strong> Turned the nunery where she was based into a co-ed school for children and the illiterate (social bricolage)</td>
<td>Human capital: the literacy skills obtained through informal Chinese education to teach illiterate students</td>
<td>Physical capital: obtained approval from the leaders of the nunery to turn part of the nunery into a school. Also, opened up part of the accommodation quarter for students’ boarding, and used Buddhist literature as literacy training materials. They also obtained permission to grow vegetables in the fields to feed them all. They obtained horse manure as fertiliser from a nearby stable. They also obtained small donations from pilgrims and well-wishers Human capital: they used the literacy skills of other nunery students to teach illiterate students Social network: through a Japanese contact, they obtained approval from the Japanese authority to run the school</td>
<td></td>
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</tr>
<tr>
<td><strong>Table V.</strong></td>
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</table>
of each of those connected to their existing social media network, to minimise the risk of being infiltrated by the Syrian Government that was highly suspicious of these bottom-up social endeavours. The social connection was also crucial in terms of collective bricolage, which will be discussed in the next section. Social network was also crucial to the Chinese nunnery student, as she “joined up with other nunnery students to implement the idea of turning the part of the nunnery into a school”, thus reconfiguring her peer network into a collegiate one. While none of them were qualified teachers, this was nevertheless an effective made-do strategy considering the context of the time where qualified teachers and other professionals were fleeing the area due to the fear of conflict. Similarly, upon hearing that the school that he worked for as a locum teacher was about to fold, the Pakistani teacher “approached the head teacher to discuss ways to resurrect the school by targeting exclusively displaced students who fled conflicts”. Here, the displaced social entrepreneur was the driving force of this educational initiative for those affected by displacement, as the venture would not have been possible without his involvement, because the head teacher did not have enough knowledge of the displaced population to come up with this venture idea, and was largely passive and resigned to the school’s closure.

The absence of internal physical resources. What is also of note is the lack of utilisation of internal physical resources, in contrast with previous studies in the context of war and conflict such as Cheung and Kwong (2017). We found that, in the displacement condition, the social entrepreneurs in our study had very limited physical resources at their disposal, and subsequently, their initial ventures did not rely on internal physical resources. In the case of the Pakistani teacher, his family lost a considerable amount during the process of displacement. Due to lack of local knowledge, his father was deceived by a local dealer, lost money and was eventually declared bankrupt. In the case of the Syrian worker, she was only a student and had no viable physical resources at her disposal. For the Chinese nunnery student, she was unable to return home and had very limited physical possessions with her at the nunnery. Therefore, this particular finding is in contrast with previous studies on social bricolage, such as Di Domenico et al. (2010), Desa and Basu (2013), Desa (2012), Kwong et al. (2017) and Tasavori et al. (2018), where internal physical resources were seen as fundamental to the beginning of social bricolage endeavours.

External resource mobilisation and the co-creation of the initial social enterprises through collective social bricolage

The lack of internal physical resources meant that external acquisition was crucial. However, we found the acquisition strategy did not rely on a formal financial-based approach for new purchases, as some of the previous studies suggested (Tasavori et al., 2018), but instead, had a heavy emphasis on collective bricolage through making-do with the pre-existing resources of the partner. The key resources utilised are highlighted below.

Physical resources. Collaboration enables social entrepreneurs to get hold of the physical resources possessed by their partners. The Chinese nunnery student, together with her fellow students, applied to the Chief Venerable at the nunnery for the usage of their premises for the purpose of teaching. The Chief Venerable agreed, and throughout the process, remained as the dormant partner in the relationship. The central authority of the nunnery was in disarray as many ordained nuns left or were forcibly removed. The Chief Venerable was also very busy in running the nunnery, working as a translator for the Japanese, as well as starting a social project to provide free medicines for poor people (Tung Lin Court Yuen, 1966). Nevertheless, it was felt that the school project was mutually beneficial. The students agreed that all the revenues from school fees would be “passed on to the nunnery”, and that they would not be “drawing salary for themselves” in return for free lodging and food. In the context of lawlessness during the time, the existence of the school would enable the buildings to remain occupied, protecting it from falling
into the hands of bandits, smugglers, squatters and others illegal lodgers. Considerable reconfigurations were made to turn the nunnery into a school. For instance, they had to turn “storage rooms, and even the balcony”, into teaching space. The living quarter had been turned into boarding facilities for the students, and derelict fields into a vegetable garden. The land was granted to them by the government for the expansion of the Buddhist school in the nunnery, but due to the start of war, construction did not take place (Hong Kong Government, 1939). This pitch was seen as particularly vital for survival (Zheng and Wong, 2018) as elsewhere, warfare between Japan and the allies meant that the supply for food had been cut. Moritaka Ikushima’s (1971) book on churches in Hong Kong recalled his personal witness:

Increasingly, food, water, fuel, electricity and other necessity goods were becoming unavailable. Because of this, people in Hong Kong looked to be in hunger, and many died in hunger in the wild. Dead bodies were a common site on the backstreets. (pp. 98-99).

The school also admitted boys as students. Males were not permitted to enter the nunnery prior to that, which meant that the nunnery had to make physical rearrangements to ensure that the strict gender separation rules would not be breached. The new students fulfilled a variety of roles within the community, including “cleaning, tending the fields, as well as supporting more important maintenance work”, which ensured the monastic lifestyle was sustained. Moreover, the social initiative aligned well with the social values and objectives of the nunnery. To save costs, the collection of Buddhist literature within the nunnery was re-used as teaching materials for literacy, which indirectly supported the dissemination of the religion. Finally, the small inflow of income from teachers to a small extent compensated for the decreased amount of donations and alternative revenue sources from visitors and pilgrims. According to an official release of the nunnery:

During the war when Hong Kong was occupied by China, all activities within the nunnery ceased. The revenues could not match the outgoings, there was not enough food, the situation was dire. (Tung Lin Court Yuen, 1966)

In the case of the Pakistani teacher, the collaboration with the previous head teacher enabled them to re-use the existing school premises as well as the other school infrastructures, including the school licence, that was crucial to the reconfiguration. Although the school was not deemed to be the most appropriate by the social entrepreneur both in terms of the location and set-up, nevertheless the physical structure was available. From the head teacher’s point of view, such collaboration is mutually beneficial, as she saw it as a worthwhile project, but also, it enabled her to maintain a relative status quo. In the case of the Syrian workers, the social project relied on the empty properties of wealthy well-wishers who were concerned about the welfare of their fellow Syrian citizens, but at the same time, offered a modest rental income, particularly when the displaced found suitable employment.

Donated physical resources formed an important part of their physical resource acquisition strategy. The Pakistani teachers received book donations, while the Syrian workers’ project received considerable funding and donations from within their clandestine network, most notably those from overseas. The Chinese nunnery students received donations from pilgrims, disciples and well-wishers who had been supporting them in the past. However, these resourced supports were not limited to materials that were considered useful. For instance, even the horse manure donated by a nearby stable provided the social enterprise with good fertiliser for their vegetable garden, enabling them to feed themselves and those who came to be educated.

Reconfiguring external skills, knowledge and competencies for new purposes. External skills, knowledge and competencies from collaborators were crucial to the idea formation process, with all three social enterprises beginning when like-minded individuals got together as co-creators. The Chinese nunnery student involved fellow Buddhism students who were in
similar positions with similar backgrounds. Their collaboration was driven by common needs and common vision, where everyone could see themselves as an integral part. The collaboration between the Pakistani teacher and the headmaster, by contrast, was driven by complementary competencies. The young displaced tutor who had little administrative and educational experience but with bags of enthusiasm, ideas and vision of the next big market was complementary to an experienced headmaster who was running out of steam in terms of how to resurrect a declining school. While the first two cases were pragmatic improvisations that began with the means before focussing on the ideas, the third case was started with an idea before considering the means of carrying it out. In the third case, the collaboration came about when three friends shared the same social aspirations through social media discussion, which enabled them to discuss and come up with social actions against what they considered as injustices in the process of displacement. They realised the importance of collaboration in the process of co-creation. One of them said: “Although on our own we have very little and can achieve very little, together we can share workload and expertise. We are strong”.

Beyond idea formulation, collaboration enabled the social entrepreneurs to acquire specific skills that their partners possessed, which was a crucial enabler given the skill shortage. In the case of the Pakistani teacher, joining up with the previous headmaster enabled him to tap into his know-how. He recalls:

I was a home tutor and my partner was a principal in a school. I had no experience of running a school. He had the administration skills and I had the teaching skills [...] We both brought our experiences into action and now it is running very smoothly.

The second role of the skills, knowledge and competencies of collaborators was their local knowledge. The social entrepreneurs obtained voluntary support from many well-wishers. In the case of the Syrian worker and her collaborators, once the idea was formed, they mobilised their friends through Facebook to help with the project. Some of their friends who lived in the safe zone helped to register information about the landlord and potential tenants. The friends from the conflict zone verified the identities and the stories told by the existing tenants. Their personal knowledge on both sides of the conflict was crucial as they worried about criminals who tried to obtain others’ properties illegally, or about government infiltration.

Utilising of the social capital of collaborators. The social networks of the collaborators were crucial to their social bricolage. They offered a number of advantages, including helping them to identify donors, volunteers, recipients, a supply chain, and as the source of local knowledge. The network was an important source of resource supports. For example, the social networks of the Syrian workers played crucial parts in offering their vacated flats for the incoming displaced persons. Similarly, when the social enterprise moved onto medical supplies and books, different people from within the network stood up and offered supplies. In the case of the Chinese nunnery students, they were able to draw from the connections of the Chief Venerable’s network, who was born and received her early education in Japan. According to the internal document from the nunnery:

Through patience and calling, Chief Venerable Lam led everyone through the difficult time [...] Through her Japanese language skill and good understanding of the culture, (she was able to mobilise) others who were as kind as the Chief Venerable, especially the faithful Japanese Buddhists […], to provide them food to overcome the challenges faced by everyone. (Tung Lin Court Yuen, 1958, p. 4)

According to the Chinese nunnery student, through the Chief Venerable, they were put in touch with a Japanese monk following his bodhisattva vow and who was staying in the nunnery occasionally, to help the school to obtain "unofficial permission" from the Japanese authorities. Before that, the students had to “hide when the Japanese arrived (for inspection) and put the children away”. For the Japanese monk, he was not interested in becoming
involved in the school. In return, he set up a Buddhist association for Chinese and Japanese Buddhists to meet within the nunnery, with the Chief Venerable’s approval. According to some local historian, the Japanese authority used this association to control and monitor all Buddhism activities in the territory (Chan, 2009), which explained why they agreed to the setting up of the school. Similarly, the Pakistani teacher was able to utilise the network of the headmaster, including their previous suppliers of many different goods and services, and this enabled them to obtain them at a low cost. Clandestine social networks that were established prior to the displacement of the second social entrepreneur appear crucial in providing vital links within the customers – the out of school displaced children who were desperate for a normal education.

Lack of emphasis on financial resources. One aspect that stood out as the main contrast from the existing literature is the lack of reliance on financial resources. In the cases of most previous studies, entrepreneurs who started up obtained resources through a formal financial acquisition strategy. In contrast, our cases illustrate resources which are largely obtained through collective bricolage. Beyond that, it is also through a frugal approach to their operation. All three social enterprises made a minimal attempt in acquiring physical resources at the beginning. Instead, they were re-using existing resources and competencies. For instance, the Chinese nunnery students made almost no external acquisition. The Pakistani teacher bought second-hand equipment, such as computers and printers. They also bought stationery, such as notepads, that were rejected by another school, which enabled them to get a good bargain. Frugality was also applied to the operational process. In the case of the Syrian workers, they also deployed a low-cost operational platform in coordinating and managing workers and volunteers from different parts of the world. For instance, the use of Facebook provided them with a free online platform to coordinate different tasks with others who worked for one of them. Not only did this enable the social operation to save the considerable costs of setting up physical meetings, or purchasing expensive online video conferencing equipment, it also enabled more workers to participate given the physical immobility and the dispersed nature of the workers. The benefit of Facebook is also that it can offer the social enterprise some level of exclusivity, which helped prevent the potential government infiltration that they worried about. The second aspect of frugality is that the social enterprise adopted a middleman approach, focussing on matching those who were in need with those who could offer housing support. By reducing their involvements, it helped to reduce administrative burden and keep their operational costs low.

The longitudinal development of the social enterprises

From the findings above, the crucial roles of internal and collective bricolage in the idea formulation and initial start-up stages were apparent in all three social enterprises.

While we highlighted the crucial role of social bricolage in the idea development and business formulation processes, once the social enterprises moved beyond the gestation period, the three displaced social entrepreneurs have used very different strategies, with a different level of reliance on social bricolage and collaboration. There follows a summary of the different strategies deployed.

Maintaining status quo/reinforcing existing social bricolage. In the case of the Chinese nunnery students, they pursued a strategy aiming to maintain the outcomes from the social bricolage. In the case of continued conflict, students continued to demand education as the schools remained shut. Once the student number had reached a stable equilibrium to sustain the nunnery, they considered the social transformation to be complete. They continued the same social endeavour until the end of the war. Afterwards, the nunnery returned to its original purpose, with the students returning home for formal schooling, or leaving for employment. Some of the nunnery students became ordained nuns, while others returned home but continued
to be involved in Buddhism-related endeavours. The Chinese nunnerly student herself continued in the education sector, and later became a head teacher of a Buddhism-affiliated primary school.

Upscaling through optimisation. Facing increasing demand from the displaced population, the Pakistani teacher continued to upscale their social enterprise. In terms of resource mobilisation, they embarked on a strategy of optimisation for expansion, and reduced their reliance on social bricolage. The fees that the social entrepreneur received from the students enabled him to increase his outreach. He obtained a loan to acquire a new school site that was bigger and considered to be more appropriate location wise (P4 in Table V). The school continued to grow, from around 100 students at the beginning, to over 300 students and 13 teachers. Due to the success, the school attracted four new partners, displaced individuals themselves, to set up four new franchised schools in nearby displaced settlements in the same region (P5 in Table V). The social business was highly commercialised. It was financially sound and profitable, ensuring its upscaling and sustainability in the long run. Beyond the social outreach, the social entrepreneur also benefitted from the venture personally:

The venture has been a huge success for me. I have made money so my family can live a prosperous life. My young siblings can now continue their education.

Upscaling through continued social bricolage. While the Chinese nunnerly students and the Pakistani teacher continued the same social enterprise without alteration, the case of the Syrian workers illustrates how some social enterprises continued to evolve due to the changes in circumstances of their targeted group. They noticed a change in the circumstances of the displaced:

After about a year into the conflict, other NGOs and other organisations started helping (sending relief work) too. But our services also started changing by that point […] People are […] no longer living in the middle of a war, they live in a stable environment with a home.

The business continued to evolve and offer different social services. For instance, they moved on to the area of books for children by pairing up books from donors and then distributing them to the households with children on their list (S3 in Table V). Then they moved onto medicine supplies, by pairing up professionals with pharmacists, hospitals and pharmaceutical companies that were willing to help (S4 in Table V). They also began to provide employment support by connecting those who needed a job with those in need of labour (S5 in Table V). Recently, they also started a microfinance scheme, by linking financiers with those in need of start-up funds (S6 in Table V).

In these different episodes, the social entrepreneurs continued to apply social bricolage for the subsequent social activities. They also continued to re-use the same “middleman” operational model for the different projects. This was made possible by a displaced person database that they had created. The re-use of the database for their subsequent projects enabled the social enterprise to quickly identify those who were in need of support. Another advantage of the middleman approach is that it does not require extensive monitoring and physical presence in the field. Thus, the database became an internal asset which they could continue to re-utilise in their social bricolage attempts. They also continued to utilise collective bricolage by deploying external physical resources provided by the well-wishers that were often idle resources that were not utilised in full by the external donors.

Key summary of findings

- Consistent with studies of bricolage in resource constrained environments (Baker and Nelson, 2005; Di Domenico et al., 2010), the strategy of bricolage is effective in the context of displacement in supporting displaced social entrepreneurs to overcome significant resource constraints in the start-up of their social ventures.
Internal bricolage strategy involves the heavy utilisation of pre-existing social capital, internal skills, knowledge and competencies, but, unlike as suggested in the literature (e.g. Kwong et al., 2017; Tasavori et al., 2018), the absence of internal physical capital does not have a prohibitive effect on the development of social bricolage activities.

External bricolage strategy involves the uses of physical resources and skills, knowledge and competencies possessed by the collaborators, as expected, but also, as an additional contribution to the literature, involves the exploration of the social network of the collaborators.

As a contextually specific contribution, we also found that, while bricolage appeared influential at the start-up stages of these social ventures, once the displaced social entrepreneurs had gained a foothold in the host location, some chose not to embark on such a strategy in order for their social ventures to grow. In other words, bricolage became a choice rather than necessity.

Concluding comments

Theoretical implications

Our findings are summarised in the conceptual framework in Figure 1. Our study advances the theoretical knowledge of the field by providing a more specific understanding of how bricolage can be deployed in social enterprises in the context of displacement. Consistent with other studies examining entrepreneurship in penurious environments (Di Domenico et al., 2010; Cunha et al., 2014; Linna, 2013; Cheung and Kwong, 2017), our findings suggest that bricolage plays a crucial role in enabling displaced individuals facing severe resource constraints to start up and develop a socially entrepreneurial venture in the host location. While marginalisation and poor access to physical resources within the enterprise ecosystem in the context of displacement did become the key hindrances in the venture start-up and development efforts of the displaced population in the host location (Turner, 2010), consistent with Baker and Nelson’s (2005) notion of “refusal to enact limitations”, the findings of this study suggest that entrepreneurs, by engaging in various forms of bricolage activities, are not impeded by the shortcomings of resources and capabilities. The key part of the bricolage strategy was to “make-do” with the restricted sets of resources endowments,
through utilising a repertoire of internal skills, knowledge and competencies that they
developed through their life’s course to compensate for their lack of physical resource
availability. Consistent with Di Domenico et al. (2010), this study suggests that through the
processes of “making-do”, “reconfiguration of pre-existing resources and competencies”, and
“frugality in resources acquisitions”, social enterprises overcome their resource
shortcomings through developing social ideas and implementing them in ways that are
novel and largely unexpected, despite possessing very few physical and financial resources.
In terms of the nature and sources of these resources, we found evidence that is consistent
with prior studies such as Hockerts (2015) and Rego et al., that a frugal approach towards
resource deployments had been adopted. Second-hand, inferior resources, donations and
those that can be “borrowed” were adopted. This is consistent with prior studies (Teasdale,
2012) about how social enterprises serve homeless people. We also found that social media
has been used both as a low-cost resource for marketing, as well as to organise internal
affairs. Furthermore, we found that socially entrepreneurial ventures utilise the same
resources for multiple functions in order to maximise their utility, which is consistent with
other existing studies such as Wauters and Lambrecht (2006, 2008).

Furthermore, consistent with previous studies on social bricolage such as Tasavori et al.
(2018) and Kwong et al. (2017), we found that social entrepreneurs utilise both internal and
external resources to develop their social entrepreneurial ventures in a penurious
environment. Although the social entrepreneurs had lost most of their possessions, i.e.
internal resources, as a result of displacement, they could still carry their knowledge
resources, which they could utilise in the host location. We found that human capital,
including skills, knowledge and competencies, was crucial in the start-up as well as the
development stages of the social enterprises. In addition to that, we found that those
deploying a collective bricolage strategy were able to mobilise resources that would
otherwise be impossible to obtain in the displacement context.

While many elements of displaced social entrepreneurship are similar to the more
generic context, by examining the intersectionality of bricolage, social entrepreneurship
and displacement, we found three notable differences from the previous literature. First, in
contrast to the existing literature on social bricolage (e.g. Kwong et al., 2018), we found a
lack of emphasis on internal physical resources of the displaced social entrepreneurs at
the starting-up of the social enterprise. The low reliance on physical capital is
unsurprising, given that all three of them had lost significant physical resources as a
result of the displacement.

Second, we found that at the beginning of the social enterprise there is a lack of reliance
on loans and formal finance in the acquisition of physical resources by the displaced social
entrepreneurs. This is because of the displacement situation, while those within their
network also suffered from a similar fate and therefore had very limited financial resource
available to lend as they themselves were not quite established enough to tap into the host
financial system. Instead, there is a strong reliance on collective bricolage in gaining crucial
physical resources which they then re-use and reconfigure at low cost to them.

Third, our study offers a longitudinal dimension which is novel from the displacement
perspective. There is very little knowledge about how displaced entrepreneurs continue to
develop their business over time, and the types of resources and resource mobilisation
strategies that they utilise. Our study indicates that displaced social entrepreneurs deploy a
number of different resource mobilisation strategies which are not necessarily limited to
social bricolage. The diverse experience displayed by the displaced social entrepreneurs
over time suggests that once they have initially gained a foothold in the host location, they
can indeed move away from social bricolage, and instead opt for optimisation. We believe
these are specific findings that were not available within the existing literature, and only
emerge by collectively considering bricolage, social entrepreneurship and displacement.
Policy and managerial implications

Traditionally, government and international support organisations focus on relief work in the context of displacement (Duffield, 1997). However, in our contexts where the government has limited capacity to support the entrepreneurs due to institutional void (Mair and Marti, 2009), it is important for governments and international support organisations to recognise the power of self-organised social actions, both in terms of sustainability but also for empowerment, and bringing social entrepreneurship supports to the forefront of displacement work (Helmsing, 2015).

The key issue identified within the findings is the lack of internal physical capital, yet its role remains crucial to social start-ups. Therefore, host government and international development agencies could support those affected by displacement by helping to establish bottom-up, local self-help forms of social action, with the aim of facilitating the flow of physical capital in aid of social business start-ups. Our study indicates that such supports do not need to be financial, or about the acquisitions of new state-of-the-art physical resources. Instead, our finding indicates that displaced social entrepreneurs can draw from physical resources from their collaborative partners. The problem with displaced social entrepreneurs, however, has often been the lack of network with the people who resided in the host location. As the displaced people had no way to connect with those in the host location, well-wishers and philanthropists in the host population had no idea what the displaced people required or desired. Facilitating dialogue between the two sides through networking events and awareness campaigns could speed up the process of social enterprise co-creation even in resource-poor environments. Government and international relief organisations could offer networking events that would allow displaced social entrepreneurs to meet with those in the host location who possess physical resources. They could put local social entrepreneurs, investors, and suppliers in touch with the displaced social entrepreneurs, through apprenticeship, mentoring and business lunches, to bridge the knowledge and competencies gap. Some of these programmes have been implemented in the western world and have targeted commercially orientated entrepreneurs (Harima and Freiling, 2016). In our contexts where the government has limited capacity to support the entrepreneurs due to institutional void (Mair and Marti, 2009), such networking initiatives offer a bottom-up and relatively low cost option for the government to consider.

Once the displaced social entrepreneurs became more settled, our study shows that they can continue to adapt to the changes in conditions affecting the displaced population. In some cases, they became more efficient in drawing from the resources, knowledge and competencies residing within the host ecosystem. Government and international relief organisations could help in speeding up the process by providing elementary training on the host ecosystem, covering political, financial and legal aspects for the displaced social entrepreneurs. They could offer field trips and other market support to improve local knowledge. As these endeavours do not require high costs, they could be extended to displaced social entrepreneurs and especially those operating in war and conflict zones. The United Nations Development Programme, for instance, has developed enterprise training within their transition and recovery programme in Pakistan for the displaced population, focussing on financial literacy, business planning and other technical elements (UNDP, 2017). Nevertheless, few of the studies focussed on the “softer” skills, most notably network, local knowledge and competencies as well as others mentioned above, which are just as crucial.

Finally, for these programmes to succeed, it would also be crucial for the government and international support agencies to mobilise public support. There is often a stigma attached to the displaced population, as a drain on local resources (Strang and Ager, 2010). Awareness programmes could help the locals understand the benefits of a well-integrated displaced population, one that would strive to support themselves through mobilising their own social actions among their own population.
Limitations

Finally, we would like to discuss the limitations of the study and recommendations for further research. One of the significant limitations of the study is our use of just three qualitative case studies that took place in three different countries, using the social entrepreneur as the key informant. We believe there is certainly room for improvement for future research. First, a quantitative study involving an enriched sample size would enable a confirmatory approach in examining the relationship between bricolage, resource utilisation strategies and the start-up and development of socially entrepreneurial ventures. Second, the roles of economic, cultural and linguistic differences should be considered in future studies as these could affect the ability of displaced individuals to integrate into the host location and thereby to start up and then develop a venture. This is particularly true in the case of the Chinese nunnery student, as their social effort took place a long time ago and in economic and social contexts that were very different from those of modern day society. Third, our study could be extended to examine other forms of displacement, including refugees, asylum seekers and stateless persons. Fourth, future studies could examine displaced entrepreneurs who lived within camps rather than in the population at large, whose ventures are likely to have very different characteristics. Finally, studies could examine the path development of these entrepreneurial ventures. Nevertheless, whilst resource constraints for displaced individuals often confine entrepreneurial individuals to embark upon bricolage in order to repair, once they have gained a foothold in the market they are no longer being confined to bricolage. As they begin to accumulate physical resources and local know-how, an approach focussing on optimisation rather than bricolage (Desa and Basu, 2013) may be more relevant. However, further analysis of their longitudinal path development is beyond the remit of this paper and therefore further study towards this would be welcomed.

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**Further reading**


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Exploring the entrepreneurial intentions of Syrian refugees in the UK

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Abstract

Purpose – Few studies have sought to explore the issue of entrepreneurial intention (EI) within refugees, despite wide recognition of refugee entrepreneurial potential. The purpose of this paper is to explore EI among recently arrived Syrian refugees in the UK, including the role that their migration experience plays in shaping these intentions.

Design/methodology/approach – This paper follows an interpretive phenomenological research approach, contextualised within the EI literature. It draws on data collected from in-depth interviews with nine Syrian refugees, five of whom arrived independently and four of whom arrived via the UK Government’s Syrian Vulnerable Person Resettlement Programme.

Findings – All participants were found to have strong perceptions of desirability towards entrepreneurship. Individuals who arrived independently demonstrated more confidence in their abilities, and in turn somewhat stronger start-up intentions. The findings indicate that the personal development of independent refugee arrivals linked to their migration experiences may help shape the intention to engage in entrepreneurship.

Research limitations/implications – As this paper draws on a small sample in a single geographic location, the findings presented are phenomenological, context specific and not necessarily applicable to other spatial locations or to other (refugee) groups.

Social implications – A number of practical and social implications are provided. Support interventions focussed on strengthening the perceived abilities and capabilities of refugees would be of considerable benefit.

Originality/value – This paper provides new and important insight into the nature of EI within a novel focal group. It makes a valuable contribution to the literature by considering the issues of context and process, specifically the relationship between personal forced migration experience and the perceived capability to start a business.

Keywords Self-employment, Entrepreneurial intention, Entrepreneurship, Ethnic groups

Paper type Research paper

1. Introduction

Over the past decade, human migration has become an increasingly important and debated topic. Many countries have seen a steady increase in the number of asylum applications by individuals who have involuntarily fled their homes due to war, persecution or other dangers, and who seek formal status and protection as refugees. The UK in particular has experienced a surge in applications from Syrians fleeing the ongoing civil war. It is important to note that a distinction exists between asylum applicants and individuals granted refugee status. In the UK, formal refugee status gives individuals and their dependents permission to stay in the UK for four years (“leave to remain”). After four years, individuals can apply to settle in the UK permanently (“indefinite leave to remain”). Formal refugee status gives individuals the right to work and entitlement to the same benefits and government assistance schemes as all UK residents. Asylum applicants, on the other hand, are not allowed to work or claim most government assistance until their asylum claim is processed[1]. The focus of this paper will be on refugees rather than asylum applicants.
As in other countries (Roth et al., 2012), these individuals can arrive independently (unsponsored) via air, sea or land, or through government-organised programmes such as the UK Government’s Syrian Vulnerable Person Resettlement (VPR) Programme. The VPR Programme aims to resettle 20,000 Syrians in the UK by 2020. Given the sustained numbers of Syrian asylum applications, as well as the UK Government’s policy focus on facilitating asylum for persecuted Syrians, it is increasingly important to understand how these individuals can best be integrated into UK social and economic life (Garnham, 2006; Ager and Strang, 2008).

The historic body of work exploring the economic lives of refugees (e.g. Gold, 1988, 1992) has recently seen contributions that shed new light on refugee economic activities in a range of geographies and institutional contexts (Beehner, 2015; Alloush et al., 2017; Bizri, 2017). A common observation remains the difficulty that refugees face when seeking employment in their “host” country (Garnham, 2006; Wauters and Lambrecht, 2008; Roth et al., 2012). In this regard, refugees are recognised to differ from other voluntary migrants and immigrants and are noted to face critical barriers to employment such as discrimination, language barriers, unrecognised (or downgraded) qualifications and skills gaps, resulting in both unemployment and underemployment (Vinokurov et al., 2017). As a result, refugees are often considered “pushed” into entrepreneurial activity in order to financially support themselves and their families, increase their financial security and minimise their dependence on the welfare system (Garnham, 2006).

The decision to engage in entrepreneurial activity is inherently personal (Garnham, 2006), yet studies have largely overlooked why refugees specifically may self-select into entrepreneurial activity. Entrepreneurial intention (EI), or the intention to start a business, has been a fixture in the entrepreneurship literature for decades (e.g. Shapero and Sokol, 1982; Bird, 1988; Katz and Gartner, 1988; Shaver and Scott, 1992). Shaped by contributions from social psychology, two models – Shapero and Sokol’s (1982) theory of the entrepreneurial event model (EEM) and Ajzen’s (1991) theory of planned behaviour (TPB) – have come to dominate the current work on EI (Liñán and Fayolle, 2015), whereby intentions are considered to be shaped by attitudes, which are in turn shaped by personal or situational “background factors”. While both these models are widely accepted, scholars have called for further research to not only better reflect the complexity of the personal factors underpinning intention, but also how these differ between groups and how they may evolve and change over time (Liñán and Fayolle, 2015). This latter point is of particular importance when considering the EI of refugees. The process of forced migration from home to host country (often via “countries of first asylum”) can take months or even years (Bhugra, 2004) and the experiences encountered during this time have an influence on individuals’ motivations, attitudes and (economic) outlooks. This relationship between migration experience and EI is recognised to be an important issue (Kushnirovič et al., 2018), yet work exploring the relationship between forced migration experiences and EI remains largely absent.

This paper addresses this gap by exploring the dimensions of EI within a group of nine recently arrived Syrian refugees in the UK using interpretive phenomenological analysis. Drawing on data collected as part of a wider longitudinal study on refugee economic activities, this paper specifically focuses on the following research questions:

**RQ1.** What are the entrepreneurial intentions of recently arrived Syrian refugees in the UK?

**RQ2.** How do personal migration experiences relate to these intentions?

The focus is on Syrian refugees not currently involved in formal entrepreneurial activity (latent entrepreneurs). Not only are studies of Syrians limited, which makes this ethnic focus quite novel in its own right, latent entrepreneurs remain an important group for furthering EI research and understanding the role of EI in different groups and contexts (Fayolle and Liñán, 2014).
This paper makes a number of empirical and theoretical contributions to the literature. First, it makes an important empirical contribution to the refugee entrepreneurship literature by exploring why refugees choose to self-select into entrepreneurship. Second, it makes an important theoretical contribution by identifying the link between the lived experience of forced migration and the personal factors underpinning the nature and strength of EI. It finds that an individual’s perceived capabilities play a strong role in shaping intentions, and that these are very much influenced by lived experience, particularly refugees’ personal migration experiences.

The paper is structured as follows. It begins with a concise review of the literature on both refugee entrepreneurship and EI, highlighting the limited qualitative work at the “person level”. It then details the methodology adopted. Findings are then presented and discussed, before implications, limitations and conclusions are identified.

2. Relevant literature
2.1 Refugee entrepreneurship

As noted, there is a long history of research considering the economic lives of refugees, largely stemming from Gold’s (1988, 1992) seminal work in the USA. Such studies have flourished recently, with scholars looking at this issue from different perspectives such as livelihoods (e.g. Jacobsen, 2006; Amirthalingam and Lakshman, 2009), development (e.g. Beehner, 2015; Allouch et al., 2017), policy (e.g. Mulvey, 2015) and economic geography (e.g. Lyon et al., 2007). A small but growing body of work has also emerged in the small business and entrepreneurship literature. Scholars now recognise that refugees (forced migrants) differ substantially from other voluntary economic migrants/immigrants in many ways, particularly in terms of their motivations, skills and forms of capital (Roth et al., 2012) as well as the “forced” nature of their migration (see Wauters and Lambrecht, 2006, 2008; Bizri, 2017 for a more detailed discussion). This can render a mismatch between refugees’ skills and abilities and the opportunities and requirements of their new host economy (Roth et al., 2012).

A common observation is that refugees face significant difficulties in entering a new labour market (Garnham, 2006; Wauters and Lambrecht, 2008; Yakushko et al., 2008; Roth et al., 2012), as access to work opportunities can be limited by factors including discrimination (Kupferberg, 2003), language barriers (Wauters and Lambrecht, 2008), limited knowledge of the host country’s culture and business environment and a lack of recognition (or downgrading) of formal qualifications (Strang and Ager, 2010; Gercke et al., 2018). Highly qualified individuals, unable to find employment in their field of speciality, must decide whether to upgrade their qualifications/retrain (Mulvey, 2015), be underemployed (Vinokurov et al., 2017) in low value sectors (Shneikat and Ryan, 2018), face unemployment or start their own business. All these options can lower individuals’ self-esteem (Bhugra, 2004) and threaten their professional identities (Wehrle et al., 2018).

Labour market disadvantage theory (Light, 1979) and the related blocked mobility hypothesis (Raijman and Tienda, 2003) posit that individuals facing such job market barriers are likely to turn to self-employment. This is considered to be the situation for many refugees (Lyon et al., 2007), who are thought to be “pushed” into entrepreneurial activity by external forces (e.g. unemployment), rather than “pulled” by personal motivations and desirable perceived outcomes (Gilad and Levine, 1986). Although push factors may be at play, pull factors also appear to be relevant to refugees. Recent studies have found that refugees were primarily motivated to start a business in order to facilitate or expedite integration in their host economy (Wauters and Lambrecht, 2006) and ensure economic self-sufficiency (Garnham, 2006). This demonstrates that push and pull factors are not necessarily mutually exclusive and can operate in tandem. These factors may also vary according to the location/context of refugees. Refugees in countries of first asylum may not
have the same rights as the local population such as freedom of movement and the right to work (Refai et al., 2018). In such locations, refugees may be driven more by the need to survive (Berner et al., 2012) rather than opportunity or other pull factors. Such drivers are likely to differ from other contexts (e.g. settled refugees in the UK), where individuals with refugee status do not face restrictions on their ability to work.

Despite recognition of the important link between refugees and entrepreneurial activity, studies have largely overlooked why refugees self-select into entrepreneurship (Wauters and Lambrecht, 2006; Obschonka et al., 2018). Some studies have suggested that refugees may be driven by prior entrepreneurial experience, as many refugee entrepreneurs have been found to originate from countries with higher rates of self-employment (Fong et al., 2007) and to have been self-employed in their home countries (Kirk, 2004; Wauters and Lambrecht, 2006). Some scholars note that social norms play an important role in encouraging entrepreneurship (Elfving et al., 2009), particularly in uncertain conditions (Engle et al., 2010). Yet others emphasise an individual’s outlook, personality and experiences over cultural considerations (Obschonka et al., 2018). Ultimately, there is a need to better understand the drivers of EI among refugees (Wauters and Lambrecht, 2006; Obschonka et al., 2018).

2.2 Entrepreneurial intention

As Shaver and Scott (1992) noted, “people simply do not exert themselves by accident” (p. 35). Thus, the intention to start a business is the result of a conscious process of decision-making whereby external market cues combine with personal capabilities (Krueger et al., 2000). Intention can be considered an individual’s “state of mind”, with a direct influence on their behaviours and actions (Bird, 1988). Two seminal models linking intention and behaviour were developed by Shapero and Sokol (1982) and Ajzen (1991). Shapero and Sokol’s theory of the EEM posited that the decision to start a new venture depended on perceived desirability, perceived feasibility, as well as a “propensity to act” related to the issues of autonomy and perceived control (Krueger, 1993). A number of these constructs were also reflected in Ajzen’s TPB, in the form of attitude (how favourable an individual is towards a behaviour – reflecting EEM’s perceived desirability), and perceived behavioural control (PBC) (how easy or difficult performing the behaviour is perceived to be – reflecting EEM’s perceived feasibility). PBC is considered to link to the concept of perceived self-efficacy (Bandura, 1982), but also contains an additional element of perceived “control” (Ajzen, 2002). The TPB also considers subjective norms (how favourable peer or referent groups are toward the behaviour). In these linear models, behaviours are predicted by intentions, which derive from “attitudes” that are in turn influenced by exogenous factors (Krueger and Carsrud, 1993) or “background factors” such as demographics, knowledge, experience and personal values (Ajzen, 2005). The TPB remains the dominant model in use for EI research today (Liñán and Fayolle, 2015).

These EI models, particularly the TPB, are not without their criticisms. Scholars have noted that they may not fully reflect the complexity of cognitive processes, motivations and other personal divers of intention (Krueger, 2009). This is in part due to the fact that most of the extant empirical work on EI has followed a positivist methodology drawing on large-scale quantitative data, with little attention paid to individuals and their unique stories. Researchers have called for more “humanistic” approaches to “attain a better understanding of complex psychological mechanisms leading to intention formation” (Liñán and Fayolle, 2015, p. 925), including phenomenological studies such as the work reported in this paper. A further criticism is that these models are inherently linear and unidirectional (Carsrud and Brännback, 2011), which contradicts emerging observations of “feedback loops” whereby intention has been found to influence its antecedents (Elfving et al., 2009). This observation is yet to be empirically explored, yet it reflects observations in the wider entrepreneurship literature that personal experiences have the
potential to impact intentions as individuals learn and change their behaviour accordingly (Welter et al., 2016). This observation is of significant importance when exploring EI in the context of refugees.

2.3 Entrepreneurial intention and refugees

The refugee entrepreneurship literature observes that there is a need to understand how entrepreneurial cognitions in this group develop and change over time (Obschonka et al., 2018). Importantly, few studies have explored EI in the context of lived experience, where attitudes, intentions and behaviours are being shaped by challenging life events. Welter et al. (2016) argue that motivations for entrepreneurial activity may change over time, while others observe that entrepreneurial events usually stem from a change in an individual’s “life path” (Elfving et al., 2009). This issue of temporality is of particular relevance for refugees, as these individuals are often in a greater state of social, emotional and economic flux – or liminality – than other groups. Not only are they beginning new lives in new spatial, cultural and institutional contexts, many will have recently endured challenging or traumatic experiences. Research on migration generally observes that migration is not a single phase, but rather a series of highly personal events that occur before, during and after the “physical” migration experience (Bhugra, 2004). During this process, individuals can face vulnerabilities such as bereavement and culture shock (Oberg, 1960), as well as positive developments such as new or strengthened social support networks, cultural identity or relationships with co-ethnic groups (Bhugra, 2004; Bizri, 2017). It is thus important to take these elements into consideration when discussing the development of – or changes to – the EI of newly arrived refugees (Obschonka et al., 2018). If “refugeeness” is “understood as an ongoing, constitutive process of becoming a refugee, with each ‘refugee experience’ building on the previous and shaping the next” (Jackson and Bauder, 2014, p. 362), it is thus important to understand how intentions develop and redevelop within this context.

This paper attempts to fill this gap by exploring the EI of recent Syrian refugees and the role that personal migration experiences play in shaping intentions. It does not seek to empirically test the EI models mentioned above, but rather to provide phenomenological accounts of the refugee migration experience contextualised within the “orienting” conceptual framework of EI (Lopez and Willis, 2004).

3. Methodology

This paper reports on data collected as part of a wider longitudinal study on refugee economic activities, including self-employment. Early data collected identified the need to more closely explore the issue of EI and thus this specific study was devised. An interpretive phenomenological research design was adopted to fully explore the complex interplay of factors shaping these activities within the context of individuals and their lived experiences. This approach is recognised to be particularly powerful when exploring how individuals experience particular phenomena, and has been used in other studies of refugees and their migration experiences (e.g. Shakespeare-Finch et al., 2014; Gangamma, 2017) and entrepreneurship more widely (e.g. Cope, 2011).

3.1 Sampling and data collection

In line with the principles of interpretive phenomenological analysis (IPA), participants were identified through purposive sampling (Smith and Osborn, 2008). Individuals were required to meet four conditions: they had to have been resident in the UK for no more than five years; they had to be legally documented refugees (no asylum seekers or undocumented arrivals) with right to work in the UK; they had to be Syrian nationals who migrated from Syria; and they could not be self-employed or running their own business (latent entrepreneurs).
Given these very specific requirements and the “hard to reach” nature of the targeted sample (Ram et al., 2007), three refugee support organisations in the UK were approached in 2017 to identify participants. With their assistance, six individuals were identified. Further snowball sampling identified three more. It was extremely difficult to identify and contact individuals, although the final sample was within the generally recommended size of six to eight participants for IPA studies (Pietkiewicz and Smith, 2012). Each individual was fully briefed on the nature and focus of the research before verbal and written consents for participation were obtained. All nine agreed to participate. These individuals represented a variety of migration experiences, but fit broadly into two groups – those that arrived in the UK independently and those that arrived via the Government VPR programme. While all participants were from middle class backgrounds and all fled Syria at the very start of the war, there was some heterogeneity in terms of socio-economic background and length of time in the UK, which allowed for exploration of similarities and differences across the sample. An overview of the participants is described below.

‘Ahmad’ is a 26-year-old single man from the Damascus area. He was a Manager in his father’s business in Syria before the war, during which time he also studied IT at university until he was forced to drop out due to the war. He left Syria in 2013 and fled to Lebanon as his country of first asylum. He sought to get to the UK as his family had already managed to resettle there as refugees. From Lebanon, he made his way independently to the UK, flying using forged documents, and was granted refugee status and the right to work in May 2014. Since arriving in the UK, he has obtained a University Diploma in IT and is currently employed full-time in a business owned by a family member. He has a high interest in starting his own business.

‘Abdul’ is a 60-year-old man from the Damascus area. He is married, with one adult son in the UK and two adult children abroad. In Syria, he was a serial entrepreneur for over 30 years, building on his Bachelor’s Degree in Electrical Engineering. He left Syria in 2012 and fled to Egypt. While in Egypt, he set up a business which was doing well, but his son was diagnosed with cancer and required specialist treatment abroad. As a result, the family was offered resettlement in the UK via the VPR programme. He arrived in the UK with refugee status and the right to work in July 2016. Since arriving in the UK he has been unemployed and has not looked for jobs, working instead on building his English-language abilities. He has a very high interest in starting his own business.

‘Wafaa’ is a 47-year-old woman from the countryside of Homs. She is widowed, with two adult sons in the UK. She had to leave one adult daughter behind in Lebanon when she came to the UK. In Syria, she was a housewife and did not acquire education beyond the primary level. When her husband died, she started a microenterprise to generate additional income to support herself and her family. She left Syria in 2013 and fled to Lebanon, mainly to protect her son from forced military service. Life in Lebanon was tough as her sons did not have the legal documents to stay and work. She was offered resettlement in the UK via the VPR programme and arrived in the UK with refugee status and the right to work in September 2016. Since arriving in the UK, she has been unemployed and has not looked for jobs, working instead on building her English-language abilities. She has a moderate interest in starting her own business.

‘Fadi’ is a 26-year-old single man from the Damascus area. After obtaining his Bachelor’s Degree in Syria in Business, he worked in a start-up as their Marketing Specialist for a short time until the war broke out. He left Syria in 2013 and fled first to Egypt before going on to Russia. He got “stuck” in Russia for six months as he was unable to return to Egypt (due to his documents). He managed to obtain a student visa to the UK and arrived in December 2014, at which time he put in an application for asylum. He was granted refugee status and the right to work in August 2015. Since arriving in the UK he has obtained a Master’s Degree in Marketing and currently works part-time in a refugee charity. He has a high interest in starting his own business.
‘Saeed’ is a 32-year-old man from Homs. He is married with one child. After obtaining his University Diploma in Syria in Dental Technology, he worked as the Manager of his father’s business. He left Syria in 2013 after being freed from (forced) detention and fled first to Lebanon and then to Turkey. In Lebanon, Saeed tried hard to get work with no luck and experienced discrimination. He then decided to get to the UK independently, taking a dangerous journey through Turkey then walking through Europe and finally crossing through Calais (smuggled). He was granted refugee status and the right to work in June 2015. He currently works part-time in a refugee charity and has a high interest in starting his own business.

‘Jamal’ is a 37-year-old man from the Latakia area. He is married with one child. He dropped out of University in Syria before completing his degree and became a Quality Inspector in a factory. He was considering starting his own business before the war started, but was put off by the cost. He left Syria in 2014 and fled to Turkey. He found work in Turkey but felt unsettled due to being a refugee employee with no legal rights. He was accepted on the VPR programme and came to the UK in August 2016 with refugee status and the right to work. Since arriving in the UK he has been unemployed and has not looked for jobs. He has a moderate interest in starting his own business.

‘Omar’ is a 50-year-old man from Homs. He is married with four children. He finished his University Diploma in Electrical Engineering before starting his own business, which he ran for 25 years. He left Syria in 2012 and fled first to Jordan and then to the UAE where he set up businesses that did not experience much success. He made his way independently to the UK, flying with forged documents, and received refugee status and the right to work in March 2016. Since arriving in the UK, he has been unemployed and has been looking for jobs (so far unsuccessfully). He has a high interest in starting his own business.

‘Sami’ is a 31-year-old single man from Damascus. He has a Bachelor’s Degree in English–Arabic translation and worked as a Supply Chain Manager in Syria. He was in the process of starting his own business just before the war broke out. He left Syria in 2013 and fled to Jordan. He worked there until his passport was confiscated and he could no longer stay legally. He then made his way independently to the UK, taking a dangerous journey through Syria and Turkey then walking through Europe and finally crossing through Calais (smuggled). He received refugee status and the right to work in July 2016. Since arriving in the UK he has been working part-time in a high-street coffee chain and studying for a Master’s degree in Business. He has a high interest in starting his own business.

Hani is a 56-year-old man from Aleppo. He is married with three children. He did not finish his University degree in French Literature, but instead dropped out and became self-employed working as a house painter. He grew his business through employment (allowing for more decoration projects) as well as importing foreign paints and selling them in his own shop. He left Syria in 2012 and fled to Lebanon where he found work as a painter. He was offered resettlement in the UK via the VPR programme and arrived in the UK with refugee status and the right to work in July 2016. He is currently unemployed, but looking for jobs in his trade. He has a moderate interest in starting his own business.

Data collection comprised in-depth qualitative interviews with participants. The interviews sought to elicit detailed rich accounts of the participants’ backgrounds (personal and economic), the nature of their migration to the UK (including time spent in “countries of first asylum”), their experiences since arriving in the UK and their current and prior (self) employment aspirations and intentions. Given the focus on phenomenology and lived experience, the interviews had very few a priori questions (e.g. “Tell me about your journey to the UK”) and instead encouraged personal narratives so that participants could fully articulate their own thoughts, feelings and experiences in their own way and their own time (Ghorashi, 2007). Such narratives have been used often in entrepreneurship research, particularly when individuals are explaining their place in a context or community, and
when it is important to draw on – and make sense of – both memory and current lived experience (Terjesen and Elam, 2009). Interviews were conducted from mid-2017 to mid-2018 in Arabic (the participants’ native tongue) by the Arabic-speaking researcher (native Arabic, fluent English) and were on average well over 1 h in length. All interviews were recorded with participant’s permission and immediately translated and transcribed by the interviewer into English. The language used in this paper is the participants’ own. Where words or phrases did not translate easily, an English equivalent is noted for clarity.

3.2 Data analysis

While it follows a set of guidelines (Cope, 2011), interpretive phenomenological analysis is not prescriptive and offers flexibility in terms of data analysis procedures (Pietkiewicz and Smith, 2012). After each interview, both authors independently read and re-read the transcripts for familiarisation and sense-making, identifying and annotating keywords, texts and larger themes/concepts (Creswell, 2013). This process echoed the levels of coding emphasised in grounded theory research (Strauss and Corbin, 1998). The authors then came together for a discussion of these observations, working through transcripts individually and as a group in an iterative process of interpretation (Kempster and Cope, 2010). The authors then looked back to the literature on EI as an “orienting framework” (Lopez and Willis, 2004) in which data were contextualised (see Table I for a small extract of the coding process).

Given the nature of the methodology adopted, the volume of data collected and space constraints for this paper, it has not been possible to provide full details on the development and evolution of codes and categories, or to include all empirical material. However, a representative selection of data and direct quotations are presented.

<table>
<thead>
<tr>
<th>Indicative quotations</th>
<th>Initial coding</th>
<th>Concept</th>
<th>Relevant concepts from literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Things are different here. We need to find out what are the conditions and laws in place here”</td>
<td>Ease of start-up</td>
<td>Perceived ability to start a business (high vs low)</td>
<td>Perceived behavioural control (Ajzen, 1991)</td>
</tr>
<tr>
<td>“I do not think I have the capacity to start up a restaurant, I mean do not have the money”</td>
<td>(Lack of) Start-up resources</td>
<td>Perceived market opportunity</td>
<td>Perceived feasibility (Shapero and Sokol, 1982)</td>
</tr>
<tr>
<td>“[Supermarket] Falafel is [soggy] and cannot be eaten. Here there is so much demand for Falafel and many people know what it is”</td>
<td>Timing</td>
<td>Perceived market opportunity</td>
<td>Perceived self-efficacy (Bandura, 1982)</td>
</tr>
<tr>
<td>“I must start my own business [now]”</td>
<td>(Lack of) Start-up resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“In this country, anybody who gives will not lose”</td>
<td>(Lack of) Self-belief</td>
<td>Personal entrepreneurial capability (high vs low)</td>
<td></td>
</tr>
<tr>
<td>“I recently arrived, have poor English, do not have qualifications or expertise in the UK”</td>
<td>(Lack of) Skills/qualifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Before I arrived here, my English was very good. When I came here, I noticed that there is still a weakness in my language”</td>
<td>(Lack of) English-language ability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“During my studies [in Syria] I had a business to make clothing and used to export to Russia”</td>
<td>Entrepreneurial experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“In Syria, we had a specific approach. If we come from a particular area we have a particular approach to dealing with things. It is not always the case that the same approach will be what we need [in the UK]”</td>
<td>(Lack of) Cultural understanding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. Findings

As noted, the EI literature was used as an “orienting framework” for data analysis. Data will now be discussed based on five key themes that underpin both the EEM and TPB models of intention: perceived desirability/attitude (how favourable an individual is towards a behaviour); subjective norms (how favourable peer or referent groups are towards the behaviour); perceived feasibility/perceived behavioural control (how easy or difficult performing the behaviour is perceived to be); propensity to act (how likely someone is to take initiative and action); and the nature and strength of intention.

4.1 Perceived desirability/attitude

Every single participant exhibited a favourable attitude towards entrepreneurial activity, regardless of personal experience, demographics or migration experience. This is not to say that they all explicitly preferred to be entrepreneurs and start their own businesses instead of entering formal employment, but rather that they were generally positive about self-employment and new business creation. Part of this strong positive attitude towards entrepreneurship may be attributed to background and cultural factors. The Syrian economy traditionally had high levels of self-employment (Haddad et al., 2011) and many participants grew up with experience of entrepreneurship in their families:

I used to join my father at [his business] from 2002. My father is an entrepreneur. He used to own a trade business (engines) and a restaurant, and I joined in to run the restaurant business [… ] the restaurant became like my own business. (Saeed, independent arrival)

Many of the participants (Abdul, Wafaa, Omar and Hani) also had prior self-employment experience in Syria:

I started bringing make up and accessories [to my home] and selling to friends and relatives. I used to bring clothes as well. That was my business. It was a small business that gave me a modest income. (Wafaa, VPR arrival).

I had my own company for 25 years importing papers/cartoons and distributing them locally. I started small, then the company grew to a medium size and ended with 15 employees. (Omar, independent arrival).

Participants noted a range of perceived benefits arising from entrepreneurship including, inter alia, independence, higher rates of pay, ability to support their family and personal satisfaction. Flexibility of working hours and locations was a key issue for participants, with many noting the link to their own health and well-being:

You are the business owner so you are not obliged to work certain hours. (Jamal, VPR arrival).

Having a job is tiring and I am not capable of that – I have back pain. If I have to walk or keep going for a long time, I cannot. But doing something like cooking is normal. I like cooking at home and I like making deserts, I mean in my own home. (Wafaa, VPR arrival).

If I want to travel with friends or family I do not need to apply for leave or possibly accept a pay cut. Also, the financial income will definitely be much better for a business owner compared to an employee. (Saeed, independent arrival)

Interestingly, there was also recognition among participants that entrepreneurship and self-employment would provide them with a source of independent livelihood, thus enabling them to limit their reliance on benefits and make a positive economic contribution to their “host” country:

We came here and we were given residency for 5 years, so it is not acceptable that we stay here and be dependent on the society. So, we must have our private business. (Abdul, VPR arrival).
While all participants were positive about entrepreneurship and acknowledged the benefits of starting a business, as previously noted there was no universal preference for entrepreneurship over other employment options. Some participants acknowledged that mainstream employment was “unattainable” at present given language skills, qualifications, work experience and references, and thus entrepreneurship was a logical and desirable alternative given their present circumstances:

[Setting up a business] is better than waiting to find a job opportunity. I will start my own business; if I got a job, I will continue with them both. If I could not find a job within a specific period of time, I will take the business on a full-time basis. (Fadi, independent arrival)

4.2 Subjective norms

As with perceived desirability/attitude, subjective norms about entrepreneurial activity were also widely favourable. Participants were all encouraged by family and peer groups to pursue self-employment and business creation if they so desired. In the case of other Syrians, this is likely linked to the positive cultural attitudes towards entrepreneurship noted above:

People who come to visit me encouraged me […] “[Name] you must have a restaurant here to offer your food”. That is what encouraged me to think of food. (Wafaa, VPR arrival)

In some cases, such support came from outwith family and close peer groups, be it through wider UK friend groups, community support agencies and business start-up services.

4.3 Perceived feasibility/perceived behavioural control

Important differences began to emerge among participants with regard to their perceived personal ability to start their own business. In this regard, a difference started to emerge between those participants who arrived in the UK independently and those who arrived via the VPR programme on a number of fronts, but particularly in terms of individuals’ proactiveness, determination and self-efficacy:

When I first came to the UK, I volunteered with a charity […] I started with them just to understand how things work in the UK […] When the ties that bind you to a place have been cut, you get the courage to try. Simply, I shall try and keep trying until I prove myself to myself, to know what my limits are and what can I do. (Fadi, independent arrival)

In this country, anybody who gives will not lose. You need to give to get a big win. You will need to work hard to get what you want. I am giving it a lot, I am giving a lot of my time and my efforts so that it pays off in the future. (Ahmad, independent arrival)

At Zaatari [refugee camp in Jordan], I volunteered working with children. I saw a lot on my journey to the UK, I went through places where people got killed, but all the time I kept thinking of the children who were always laughing despite everything. They gave me hope. My main objective is not the business, is not the money. It is just a means to help those kids. I feel responsible, I should do something for these kids. (Sami, independent arrival)

The proactiveness exhibited by independent arrivals may well have been driven by the lack of a “safety net”. These individuals did not have access to public support programmes (e.g. benefits) until their asylum applications were granted, leaving them with few sources of financial support in the intervening period (often six months). Many also came alone and thus lacked social support networks. Additionally these individuals faced particularly challenging physical migration journeys involving extreme risks to life, which had an important role in shaping individuals’ attitudes, perceptions and mindsets:

I went through Syria, Turkey, Greece, then all the way to Europe. I saw a lot on the way. I saw dead people. People told us about an area where people are getting killed for their organs, but we had to pass through it and we did. In every moment, I was thinking of the Syrian children, what happened
to them, and how they are able to laugh and play while rockets were falling around them. What kept me going is the children [in Zaatari] who gave me lots of strength in that I can get to London, do something, and then get back to them and help out. (Sami, independent arrival)

As a result, the independent arrivals also exhibited a particularly strong sense of self-belief and self-efficacy. As Fadi articulated:

From when I was in Russia and until I got here, I had to “pull the bite from the mouth of the beast” [Arabic proverb equivalent to “face things head-on”]. It was not easy and there was no cushion underneath you to fall upon in case something went wrong. You become goal oriented, but you lose a lot of your soul. (Fadi, independent arrival)

Due to this “forced independence”, the independent arrivals also needed to be flexible and adaptable, finding new ways to overcome challenges and problems:

I first thought of starting a restaurant, but that needs a lot of capital and [the UK] system is different [from Syria]. [Here] they rely on take-away. In our culture, that does not exist, so I still need to study their lifestyle to know how things work. I need to be financially ready and I like cars, so I decided to go to college to get the qualifications and skills [required to obtain work in a garage]. (Saeed, independent arrival)

These individuals were also better able to understand themselves, their differences (good and bad), and their “place” in a new environment. Not only were they better able to identify their own strengths and abilities in the context of starting a business (self-awareness), but they also demonstrated more “absorptive capacity” in terms of understanding the realities of the business environment in the UK and the need for innovation:

Although I am capped by certain skills due to my experiences, at the same time I can see things from a different perspective. The travel experience is a liberating experience and it also widens your perspective. I can understand the Arabic mentality as well as other mentalities. That gives you something to differentiate yourself from others. (Fadi, independent arrival)

In the Middle East, you can rely on your family name. Here that does not matter. It changed how I think completely. Here it is your knowledge and skills [that matter]. (Ahmad, independent arrival)

In contrast, those individuals who arrived via the VPR programme did not exhibit the same level of proactiveness, determination and self-awareness as the independent arrivals. They instead demonstrated a significant dependence on the government support (and support organisations) that underpin the VPR programme. Of particular importance was the 12-month “adjustment period”, during which time refugees were given support to learn English in preparation for entering the job market. They were less positive in terms of their self-belief and self-efficacy to start a business, reflecting on the problems they would face rather than the opportunities. Language was perceived to be a critical barrier by the VPR arrivals, who generally had much more limited language abilities than other participants. Two individuals spoke very little English at all, even after months of tuition:

The main reason [I am not working] is that we haven’t been in the UK for long, so we need to learn English first so we can get used to life here. I found going to the Job Centre extremely difficult. They do not even take into account that I am not ready with language or knowledge of the legal system. Even with a translator things may not be expressed clearly. (Abdul, VPR arrival)

To be a painter, you need to complete a Health, Safety and Environment test. I tried but I did not pass the test because of the language. Also, it is important to drive if I want to be a painter. I am trying the study for the theoretical driving test, but I am finding it really hard because of the English. (Hani, VPR arrival)

Rival explanations to this finding of perceived feasibility/perceived behavioural control were also considered and explored. Additional analysis was attempted to take into account the differences between independent and VPR arrivals with regards to the time spent in the
UK, as well as other demographic and socioeconomic factors. Among these individuals, the method of arrival appeared to be a key differentiator in terms of perceptions of feasibility and personal control to start a business. This appeared to be because independent arrivals had made the specific choice to migrate to the UK, had taken a significant risks to get there, and felt incentivised to engage with UK life and culture. The VPR arrivals, however, were informed by the UN that they had the opportunity to be resettled in the UK (or not at all). From the acceptance of this offer, (approximately eight months in advance), individuals were offered resettlement support through government and non-government organisations, which resulted in a stronger sense of dependency than self-reliance as well as a more circumscribed outlook on their “role” in the UK. Interestingly, all the VPR arrivals emphasised how they felt “settled” upon arrival in the UK, while independent arrivals generally spoke about feeling “uncertain”, “unsure” and “less settled” than they had previously.

Given this study’s focus on personal experiences rather than broader generalisations and its small sample, it is not possible to discount the influence of demographic and socioeconomic factors. The data suggest, however, that these may be less relevant in this context than the issues of personal experience. This warrants further research.

4.4 Propensity to act
Linked to perceived feasibility/perceived behavioural control, an individual’s propensity to take initiative and action is considered an important part of intention. As the focus was on “latent entrepreneurs”, it is not possible to discuss specific entrepreneurial “outcomes”. Yet, all the participants had taken some form of “formative entrepreneurial action”, largely driven by the need and desire for income generation. In some cases, individuals also faced pressure from external agencies and support providers to find paid employment:

What made me think of [starting a business] is that they [Job Centre] are demanding that I go and work. (Wafaa, VPR arrival)

1.5 or 2 months ago, I made a decision that it is enough, I must start up a business. [What triggered the decision] is frustration with the job market. It impacted a lot on my decision. I did not want to wait [for jobs] anymore. (Fadi, independent arrival)

Both “push” and “pull” factors were widely discussed by participants, indicating a blurred line between “necessity” and “opportunity”. In no instance was a business deemed necessary for economic “survival”, but rather it was seen as a means by which individuals could minimise their reliance on government benefits or obtain a better level of income to maintain planned lifestyle spending. Syrians are noted to be resistant to government assistance or “handouts” (Beehner, 2015), as they are unused to receiving free public goods and this discomfort quickly became apparent during interviews.

While all participants had taken some formative entrepreneurial actions, the intensity and depth of these varied. Interestingly those individuals that arrived via the VPR programme were more focussed on replicating businesses and business models that they had run – or seen run – in Syria, usually focussed on providing authentic Syrian food:

In Syria, many people used to cook at home and [other] people [come to] collect the food. That is the kind of business I am thinking of. (Wafaa, VPR arrival)

I noticed that [British people] like Arabic food. It is unique and healthy. Here, there is a welcome group that supports refugees. During their visits to us we serve food, and we noticed that they like the food […] I asked Syrian people who have lived here for advice and they also told me that our food is liked here. (Jamal, VPR arrival)
They were also very focussed on potential barriers and difficulties (e.g. lack of finance, issues with regulation etc.), which curtailed their willingness to take more concrete steps to start a new business.

While a number of independent arrivals were also looking into the possibility of starting a food-based business, their approach was generally more innovative: they were looking beyond familiar business models and considering those with more relevance to British consumers. These individuals had also taken the most advanced steps towards starting a business (particularly Ahmad and Fadi), in terms of starting a business plan, exploring options for start-up capital, and working with mentors and members of the business support community to further develop their ideas:

I started [developing] the business model, where I will be based, what is the target market, what type of services I can offer. I have an appointment with a mentor at [University]. I have started to develop a contact list. I talked to someone to build a website and discussed prices. I am still at the beginning, but the idea is crystallising. (Fadi, independent arrival)

Again, none of the VPR arrivals were working at the time of interview. This may have had an effect on their willingness to take action. On the other hand, the independent arrivals had all had the right to work in the UK for two years at the time of interview and were all working or volunteering. They may therefore have been in a better position to consider and engage in business creation.

4.5 Nature and strength of intention

With regard to previous EI and activity, four individuals (Abdul, Wafaa, Omar and Hani) ran their own businesses until they were forced to flee due to the civil war, and two considered starting a business in Syria (Jamal and Sami). Participants noted that they started to consider entrepreneurship quite soon upon arrival in the UK. As discussed above, the rationale to engage in business creation differed across individuals and stemmed from a complex interplay of both “push” and “pull” factors. Those driven more by pull factors such as perceived opportunity or perceived benefits largely expressed “stronger” entrepreneurial interest and intention than individuals being largely “pushed” into entrepreneurship due to unemployment/underemployment.

Also linked to this strength of intention were the previously discussed issues of self-belief and perceived capability. These remained a point of distinction between independent and VPR arrivals. Generally, individuals who arrived independently had a higher strength of intention to start a business, perhaps due to building personal drive, ambition and resilience (Sherwood and Liebling-Kalifani, 2012) and perceived ability as a result of their challenging experiences. These individuals also articulated that their experiences had shaped their outlook on life. As they perceived they had “nothing left to lose”, they risked very little in starting up a business:

I am lost. I know people but I do not have friends. I may think backward [on the past], but now I am trying to just look forward. (Sami, independent arrival)

VPR participants also expressed a sense of loss, although this was not as acute as the independent arrivals. This perhaps stemmed from the fact that they had built new friendships and support networks with other VPR arrivals, which strengthened their own cultural identity and a sense of belonging (Bizri, 2017).

Interestingly, all participants also observed that starting a business could be a way to regain their former social status and past professional identities, while helping to build a new independent life in the UK.

5. Discussion

The data presented provide important insights into the nature of EI among recently arrived Syrian refugees in the UK. They demonstrate the complex interplay of factors shaping
intentions and highlight the important role of personal experiences in developing strength of intention, thus making an important contribution to the EI literature.

As discussed, all participants displayed positive attitudes toward entrepreneurship and considered it to be quite desirable. This was due in part to both previous self-employment/entrepreneurship experience (Kirk, 2004; Wauters and Lambrecht, 2006) as well as a wider experience of entrepreneurship through their families and personal lives, given to the nature of Syrian culture. This issue of culture had an important impact on subjective norms as well, which were also widely favourable towards entrepreneurial activity. Syria has a long history of entrepreneurial activity and traditionally had very high levels of self-employment (Haddad et al., 2011), which indicated that a culture of entrepreneurship was quite entrenched among Syrians. This certainly seemed to be the case across participants. It is also important, however, to consider the nature of family and friend support networks in Syrian culture, where social support systems (e.g. family, friends, neighbours) are very strong (Bizri, 2017). It is therefore possible that the strong social support articulated by participants was in fact a reflection on support at a personal level, rather than support for entrepreneurship activity per se. This observation would benefit from further empirical research to tease out such distinctions.

Despite the fact that all participants had positive attitudes towards entrepreneurship and that their families/friends were supportive of engaging in entrepreneurial activity, there was no universal preference for entrepreneurship over other employment options. While one participant noted that he would never consider working for anyone other than himself, the other participants noted that they would engage in entrepreneurship depending on the other opportunities for work available (or unavailable) to them. In line with this range of preferences, respondents discussed a range of push and pull factors including autonomy, flexibility, personal satisfaction and economic self-sufficiency (Garnham, 2006; Kolvereid and Isaksen, 2006; Jones et al., 2014), as well as perceived underemployment and lower wages (Ruiz and Vargas-Silva, 2017). These findings do reiterate the continuing relevance of labour market disadvantage theory (Light, 1979) and the blocked mobility hypothesis (Raijman and Tienda, 2003) in “pushing” refugees towards self-employment (Lyon et al., 2007), yet they also demonstrate the importance of person-specific “pull” factors. This is of significance as it emphasises the importance of self-will and personal agency among refugees (Obschonka et al., 2018), particularly in the context of self-employment decisions. This is an important area of future research for refugee populations.

An area of differentiation among participants emerged with regard to their perceived ability to start their own business. The literature notes the importance of an individual’s outlook and personality when starting a business (Obschonka et al., 2018) and the data collected emphasised differences among participants in terms of their proactiveness, determination, self-efficacy, flexibility, adaptability and self-awareness. These factors have all been found to affect EI (see Liñán and Fayolle, 2015). Interestingly, individuals who arrived via the VPR programme demonstrated much more circumscribed capabilities. These included language, widely recognised to be a major barrier for refugees and their economic integration (Wauters and Lambrecht, 2008), and a focus on perceived barriers to start-up rather than opportunity. This perceived ability, or perceived control, was also reflected in the propensity of individuals to take action. The intensity and depth of formative entrepreneurial actions varied, but again independent arrivals demonstrated greater proactiveness and commitment to take concrete action.

Looking at these elements together, it was possible to comment on the overall EI of participants. Every participant was interested in – and considering – starting a business, regardless of background or migration experience, with intention shaped by a range of perceived push and pull factors. While the nature of an individual’s migration experience did not directly influence EI (e.g. the act of walking across Europe does not make an...
individual suddenly think “I’m going to start a business”), this subjective and uniquely constructed migration experience has a critical influence on an individual’s perceived abilities and capability (both personal and with regard to economic opportunities such as starting a business). These perceived capabilities in turn shape the nature and strength of an individual’s intention. Given their challenging migration experiences, participants who arrived in the UK independently appeared to build their personal capabilities such as autonomy, independence and resilience (Sherwood and Liebling-Kalifani, 2012) in a way not evidenced by participants on the VPR programme. This resulted in generally stronger EI among independent arrivals. That is not to say, however, that VPR arrivals would not be able to develop similar capabilities (resulting in stronger intentions) given sufficient time in the UK and exposure to relevant individuals, communities and networks. Indeed, such personal “capacity building” appears to be of significant relevance.

These findings are of importance to the developing refugee entrepreneurship literature, as they call into question pervasive assumptions that refugees are “pushed” into entrepreneurial activity and highlight the importance of individual perceptions, motivations and ambitions. There is a significant scope for further research to explore these issues in greater detail and among different groups of refugees in different contexts. Within the EI literature, the data indicate that dominant EI models would benefit from greater nuance, recognising that in cases such as those presented some of the underpinning constructs (e.g. perceived behavioural control) are more important in intention formation than others. Again, further qualitative research is needed to better explore this issue.

6. Conclusions
This paper has provided insights into the nature of EI among recently arrived Syrian refugees in the UK, including the role that the migration experience plays in shaping these intentions. It has highlighted that individual migration experiences shape perceived capabilities, which in turn shape an individual’s perceived ability to start a business (and subsequently intention). It makes an important empirical contribution to the still-developing refugee entrepreneurship literature and to the EI literature by identifying the important link between lived experience and the personal factors underpinning EI.

The findings presented have a number of practical implications for institutions and individuals supporting refugees in the UK. Fundamentally, the data demonstrate the strong EI prevalent among newly arrived Syrian refugees in the UK. This intent should be nurtured by institutions and individuals supporting refugees in the UK, harnessing the positive attitudes these refugees have towards entrepreneurship to allow them the opportunity to build a new independent life in the UK and, in many cases, regain their lost social status.

The observed variation between the independent arrivals and VPR arrivals with regards to perceived behavioural control suggests that support organisations might need to be vigilant in their approach with refugees to avoid developing learned dependence. Interventions should thus also focus on strengthening the perceived abilities and capabilities of refugees. Provision of certain assessments necessary to work in manual jobs (e.g. health and safety assessments) in the Arabic language could help to expedite the entry of some refugees into employment.

VPR arrivals generally felt intimated attending the Jobcentre Plus at the end of their 12-month “adjustment period”, particularly as they were subject to the same expectations and requirements as any other UK resident or citizen. While this is in many ways a good thing, given the language weaknesses and issues of confidence identified in this paper it is worth considering the possibility of “bridging support” between the VPR programme employability support and the Jobcentre Plus service. Refugees could receive employment/employability counselling from other refugees/immigrants/migrants who understand the pressures they
face, linked to the requirement of Jobcentre Plus. Such counselling could enable individuals to better understand the realities of the business environment in the UK and the need for innovation in what is a sophisticated market economy.

This issue of a wider peer-based business support appears to be relevant for refugees more generally. Although the independent arrivals in this study were able to develop a better knowledge of the UK landscape given their need to integrate quickly upon arrival (and on average longer time in the UK), they faced as many limits in their knowledge of where to go for different types of business support as the VPR arrivals. Syrian refugees generally would benefit from access to networks of other immigrant/migrant/refugee entrepreneurs for business mentoring and advice, particularly those who have faced similar difficulties such as language, limited credit track record, networks, etc. While such networks would be of assistance in starting a business, they would also help in terms of social integration, enabling individuals to move beyond their own bounded local or ethnic network (e.g. family, other VPR arrivals) and providing opportunities for exposure to the wider diversity of life in the UK.

This paper is not without its limitations. Drawing on a small sample in a single geographic location means that the findings presented are context specific and not necessarily applicable to other spatial locations or to other (refugee) groups. Further work looking at larger groups of refugees would be extremely useful, particularly taking a longitudinal approach to track actions, behaviours and changes over time. The diversity of the sample also had implications for the interpretation of findings, as it was not possible to fully consider the impact of demographic and socio-economic factors, particularly gender. Despite these limitations, this paper hopes to have provided a starting-point for further research and discussion on the important issue of refugee entrepreneurship and the role of EI.

Note
1. See www.gov.uk/government/organisations/uk-visas-and-immigration

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An investigation of migrant entrepreneurs: the case of Syrian refugees in Lebanon

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Abstract

Purpose – The purpose of this paper is to answer the following question: what motivates refugees to create their own businesses in a developing country, and how do they go about it?

Design/methodology/approach – A quantitative study was conducted before Syrian refugees in main camps in Lebanon. The self-administered survey was translated into the Arabic language to fit the respondents understanding of the questions asked and answers choices. Closed questions with nominal ratio and Likert scales were used to gather the primary data in the line of the study of Wauters and Lambrecht. The data were analysed with a logistic regression analysis under SPSS.

Findings – The findings show that 71 per cent of Syrian refugees seem to have a willingness to start a new business in Lebanon. The respondents are mostly young, with 62 per cent being between the ages of 18 and 35. Most of them are men (66.67 per cent) against 33.33 per cent of women. 60 per cent have already been entrepreneurs, and they are mostly motivated by earning a living but in the sector they used to work in before in their home country. Finally, the obstacles seem to be linked to financial and administrative issues, but also to the local policies. However, the fact that they share some cultural values with Lebanese such as the language or food, allow them to integrate easier and to create social bonds.

Research limitations/implications – The research is limited by the fact that the authors cannot generalise the findings since the Lebanese environment is very different from other countries’ environment. Besides, the Syrian refugees share already a lot of values and lifestyle with Lebanese. So, the authors cannot transpose their case to other ethnic population. Also, the study is limited by the lack of a gender statement and the link between the education level and the decision of creating a new business.

Practical implications – The authors propose some recommendations to the Lebanese Government and NGOs in order to facilitate and support the entrepreneurship actions of refugees shortly after they arrive to Lebanon.

Social implications – This paper confirms the importance of social ties in encouraging entrepreneurship in the case of refugees.

Originality/value – In this paper, the authors make four contributions to the academic debate: first, the authors studied the entrepreneurial motivations of refugees in a middle-eastern developing country while the other studies have focussed upon the adaptation of such individuals in a western and developed environment. Second, the refugees are motivated by pull and push factors at once as the authors discussed in the precedent section. Third, although adaptation to the Lebanese culture is easier, resilience is nevertheless needed due to the Lebanese Government’s policies, which forbid refugees to work in the country. Fourth, with regard to migration studies in general, this paper stands half way between the various studies conducted on ethnic entrepreneurship, immigrant entrepreneurship and refugees. Indeed, the authors brought together many concepts such as social bonds, social capital, culture, political environment, and the service industry. On the managerial level, the findings allow the institutions and the government to target those refugees who show an aptitude to entrepreneurship to stimulate their action, shortly after arriving in Lebanon, as their entrepreneurial intent decreases with the time they spend, often unemployed, in the host country. Should government policy change, both the integration of refugees, and entrepreneurship in general would benefit.

Keywords Immigrants, Developing countries, Entrepreneurship, Entrepreneurial intention

Paper type Research paper

Introduction

According to the UNHCR (2017), there are 65.3m forcibly displaced people around the world. Even though most refugees find their way to Europe, some non-European Mediterranean countries – such as Lebanon – are welcoming large numbers of them despite their small size.
Indeed, more than 60 per cent of the world’s refugees are currently huddled along the eastern (and southern) rim of the Mediterranean Sea. These people, who number more than 10m, include Palestinians, Iraqis, and, more recently, Syrians who have fled violent conflict in their countries (Chatty, 2017). Lebanon is now home to the highest number of refugees per capita in the world. According to the UNHCR (2017), in 2015, Lebanon was hosting 1,070,854 refugees and 12,139 asylum seekers. The Lebanese Government claims that 500,000 further refugees were informally present in the country, increasing the estimated total to around 1.5m. According to the same report, this was why, on 6 May 2015, the UNHCR suspended the registration of new refugees at the Lebanese Government’s request (Yahya et al., 2018). Indeed, 30 per cent of the Lebanese population is currently made up of displaced Syrians.

Even though Lebanon is not a signatory to the 1951 UN convention, Syrians have taken up residence in thousands of small units throughout the Bekaa Valley and along the coastal cities of the country, placing the standard humanitarian relief mechanisms under considerable strain, leaving the refugees’ socio-economic situation in Lebanon precarious despite humanitarian interventions. Policy restrictions on the renewal of residency affect the enjoyment of basic rights and freedom for refugees of all nationalities in Lebanon. In 2016, access to accommodation, UNHCR registration and livelihood remained the main challenges faced by Syrian refugees. The conditions for a safe and dignified voluntary repatriation were not met and the opportunities for resettlement were also limited, in particular for those refugees who were coming in from countries other than Syria. Gaps in the nationality law and a complex civil registration system continued to hamper birth registration and to increase the risk of statelessness.

Besides, Lebanon’s economic situation is very weak, with the unemployment rate reaching 25 per cent in 2017 and 35 per cent before the youth. In the absence of any official figures those reported here were recently denied by the Lebanese President, who, in March 2018, declared the unemployment rate to be about 46 per cent because employers prefer recruiting Syrians – who will accept smaller salaries – so Lebanese find less employment (Libnanews, 2018), with a real GDP growth estimate for 2017 of about 2 per cent. The government and the population are facing a real economic and social crisis. As they fail to find jobs in their home country, young Lebanese are increasingly forced to expatriate to other countries, either Arab or western, to do so.

The Lebanese Government cannot provide employment opportunities for both the Lebanese people and the refugees, despite some of them having the necessary qualifications. Thus, the solution, for those refugees who want to settle down or remain independent from the UNHCR and their partners, is to create their own jobs. Indeed, according to the UNHCR (2017), 87 per cent of Syrian refugees said they were in debt, and only 19 per cent of families reported that all members had legal residency, down from 21 per cent in 2016.

On the other hand, the UNHCR estimates that over 85 per cent of Syrian refugees cross international borders and settle in cities, towns and villages where they have social networks (portal UNHCR, 2017). In other words, only 10–15 per cent of Syrian refugee flow into camps. These include 25 non-UN camps in Turkey and 3 UN camps in Jordan, but none in Lebanon (the Lebanese Government did not want to repeat the Palestinian experience, so it refused “encampment”). Besides, in Lebanon, the flow of displaced people – both internal and across its borders – is seen as a threat to an already weak and brittle public sector (Chatty, 2017).

So, although the topic is under-researched, historical examples in the Middle East do show that successful “near-diasporic” resettlement or return is clearly associated with the manner of reception and accommodation of exiles and forced migrants in host communities (Loizos, 1999). On the other hand, according to Faria et al. (2010), economic adversity spurs business creation because people innovate and create their own jobs out of necessity. The simple theory of income choice, the basis upon which many studies have found a positive correlation between economic adversity and entrepreneurship, indicates that increased unemployment levels will spur increased entrepreneurial start-ups because the opportunity cost for not starting firms (remaining in an employment market with limited job prospects)
has increased for individuals confronted with entrepreneurial launch decisions (Audretsch et al., 2001). As the unemployed seek and find productivity in areas of endeavour other than the labour market, this has been called the “refugee effect”. In regard to entrepreneurial motivations, Ajzen (1991) and others attempted to identify the contextual components that favour them. However, their model binds the cause (the motivations) to the effect (the creation of a company) too closely. Yet, echoing many recent works, Segal et al. (2005) highlighted that there is no systematic causal link between the construct of the motivations and the action. Based on this, we believe that Syrian refugees will choose entrepreneurship in order to improve their lives and, most of all, to survive. But, most research on immigrants and refugees has focussed upon their experiences in western countries, especially developed ones, studying the behaviour of volunteer migrants who are looking for better opportunities in these countries. Whereas 85 per cent of the refugees are hosted by developing countries (UNHCR, 2017), few studies have discussed their circumstances in the Middle East and particularly in Lebanon; this is especially relevant as none of the countries of the Middle East adhere to the 1951 United Nations Convention on the Status of Refugees (Chatty, 2017). On the other hand, few studies discuss the case of the forced migrants and their appetite to entrepreneurship in a small developing country where people are struggling to keep their jobs or to find one. In other words, where many obstacles (local policies, economic factors, social and cultural factors, etc.) could discourage them. Also, as we said earlier, many researchers argue that immigrants in general are motivated by push factors, but what about refugees? Are they motivated by pull or push factors?

Thus, we will try to answer the following research question:

RQ1. What motivates refugees to create their own businesses in a developing country, and how do they go about it?

In order to better understand what a refugee is, we will use the international legal definition: “citizens outside their country of nationality or habitual residence; who have a well-founded fear of being persecuted because of race, religion, nationality, membership of a particular social group or political opinion; and who are unable or unwilling to avail themselves of the protection of that country, or to return there for fear of persecution” (Article 1A (2) of the 1951 Convention). Those who meet this definition are deemed worthy of sympathy and are entitled to the rights enshrined in the United Nations 1951 Convention on the Status of Refugees and its 1967 Protocol 1.

A literature review on migrants and refugee entrepreneurship will be presented next, followed by the methodology, the results and a discussion.

Literature review
In the case of those populations the entrepreneurship of which tends to be underestimated in a given national context – by the women or immigrants – Jones and Spicer (2009) underlined the fact that, before establishing their motivations, their context must be examined. It is in their very determinist relationship to an often socially and politically restrictive context that these populations learn to build their agency and bring their motivations to the foreground. Socio-constructivist theory defines agency as a process of individuation that is aimed at making a unique contribution and that manifests itself in a critical relationship with standards and conventions (Giddens, 1984). Through agency, individuals define their actions as a more or less critical answer to a certain determinist perception that they have of their environment. The perception of an omnipresent determinism inhibits the choices of individuals (Giddens, 1984). Through agency, individuals can invent surrounding areas of action that signal a certain resistance to an environment that is perceived, to some degree, as deterministic and alienating.

In their sociology of genders and minorities, Feagin and Eckberg (1980) highlighted that several types of tensions can appear between the motivations of individuals to develop social and/or economic initiatives and their environments. Discriminated individuals inhibit
some of their motivations based upon environments that they find hostile. In extreme cases, individuals freeze completely and refrain to take any action in the usual economic and social environment, often spiralling into depression, insanity or drug use.

In most cases, however, discriminated individuals break free of their constraints and initiate actions by which, for example, they either override or ignore certain conditions of possibility that are deemed compulsory for action within dominant conventions. This particularly pertains to those discriminated individuals who develop various segments of the informal economy.

That being said, the rapid increase of international migration towards developed countries and its contribution to their economic growth and regional development has spawned a plethora of studies on immigrants and their participation in labour markets, not only as employees but also as entrepreneurs setting up businesses (Aliaga-Isla and Rialp, 2013). But, these studies have been mostly conducted in relation to immigrants such as Asians or Latino Americans, as opposed to refugees or asylum seekers in the Mediterranean countries. Recently, many studies have been conducted on refugees, but mostly in the context of European or of other developed countries. In our paper, we study cases of refugees and asylum seekers and not of immigrants, even though we can adapt the latter literature to the former. So, in order to better understand the difference between the two concepts, we will try to clarify the distinction between the various streams of research. Indeed, we can find literature on immigrant entrepreneurship, ethnic entrepreneurship or transnational entrepreneurship. We will then expose the role played by culture.

**Immigrant entrepreneurship**

Brzozowski et al. (2017) distinguished between the immigrant and ethnic forms of entrepreneurship. Whereas the former involves first generation immigrants who have started their businesses in their host countries, ethnic entrepreneurship is more inclusive, as it encompasses later generations of immigrants originally from a given country or from a broader ethnic minority. In this case, entrepreneurs are mostly active in their ethnic enclaves and rely on clients drawn from a co-ethnic population in a certain location or acting as middleman minorities, using their ethnic resources to trade between their host societies, their ethnic groups and their countries of origin. The authors also identified transnational entrepreneurship, which encompasses both immigrant and ethnic entrepreneurs who maintain regular cross-border operations, maintaining an economic presence in (at least) their host and home economies.

According to Brzozowski et al. (2014), ethnic entrepreneurship refers to businesses run by immigrants that have to face fierce competition, small profit margins and limited growth perspectives. It is also perceived as a kind of survival strategy used by those individuals who – having no viable economic alternatives – have to rely on the social capital provided by their ethnic groups.

According to Kanas et al. (2009), self-employment is often considered as a solution to immigrant unemployment and poverty, even though it is affected by country-specific human capital in relation to the countries of origin and destination. Also, any education and work experience accrued in the countries of origin are often considered to be of lower quality and difficult to transfer; that is why immigrants are more likely to be self-employed than employees. Thus, contacts with host country natives increase opportunities for salaried employment thanks to the social bonds created. However, in order to gain greater insights into the relationship between the origin and the destination human capital and immigrant self-employment, it is more accurate to make a distinction between bonding and bridging social capital. Indeed, according to Neville et al. (2014), immigrants often lack country-specific human capital (including skills) and social capital (social networks, including business ones). Also, their access to external financing is limited and they often face discrimination from native customers. On their part, Ibrahim and Galt (2011) highlighted the importance of human capital determinants such as schooling, education and other features that determine productivity.
Social capital is also another determinant for migrant entrepreneurship. Building social capital has typically been seen as a task for “second generation” economic reform; however, unlike economic policies or even economic institutions, social capital cannot be so easily created or shaped by public policy (Fukuyama, 2001).

Fukuyama (2001) discussed the externalities (positive and negative) produced by social capital. Perhaps the reason why social capital seems less obviously a social good than physical or human capital is because it tends to produce more in the way of negative externalities than either of the other two forms. This is because, in human communities, group solidarity is often purchased at the price of hostility towards out-group members. Another way of approaching this question is through the concept of the “radius of trust”. All groups embodying social capital have a certain radius of trust, that is, the circle of people among whom co-operative norms operate. If a group’s social capital produces positive externalities, the radius of trust can be wider than the group itself. It is also possible for the radius of trust to be smaller than the membership of the group, as it is in those large organisations in which co-operative norms are only fostered among the group’s leadership or permanent staff. Public policy can be aware of already existing forms of social capital – for example, the social networks used to develop information for micro lending – but it cannot duplicate the effect of, for instance, religion as a source of shared values. Policy makers also need to be aware that social capital, particularly when associated with groups that have a narrow radius of trust, can produce negative externalities and be detrimental to society at large. Second, the area in which governments probably have the greatest direct ability to generate social capital is education. Educational institutions do not simply transmit human capital; they also pass on social capital in the form of social rules and norms. This is true not just in primary and secondary education, but also in its higher and professional forms. Third, states indirectly foster the creation of social capital by efficiently providing essential public goods, particularly property rights and public safety.

Refugee entrepreneurship

According to Wauters and Lambrecht (2008), although we can find some academic research on the employment status of refugees in general, self-employment only occupies a marginal place in these analyses (Bollinger and Hagstrom, 2004). A notable exception is represented by Gold (1992), who undertook extensive research on entrepreneurship in the USA among Vietnamese refugees and Soviet Jews. Indeed, most of the existent studies focus on ethnic entrepreneurship linked to various immigrant communities around the world, especially in the USA. But, studies on migrants are also included in the streams of research on minority entrepreneurship or on diversity entrepreneurship (Alexandre-Leclair, 2014).

Indeed, as we mentioned before, refugees are not considered to be immigrants. Article 1 of the refugee convention defines a refugee as:

Any person who […] owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it. (1951, p. 14)

The refugee movement has emerged as a controversial issue amongst policy makers and politicians at both the national and European levels. The ethical imperative of offering assistance has been repeatedly emphasised as the survival of refugees depends to a great extent on the availability of assistance provided by local communities and international organisations (Farmaki and Christou, 2018). In the same vein, according to Holmes and Castañeda (2016), the host communities that receive refugees face several challenges in
relation to the regional and human security implications that arise from large influxes of refugees. On the other hand, the Syrian refugee movement is a source of anxiety over lack of security in many countries. In their article, Shneikat and Ryan (2018) pointed out that most of the current research is focussed on the negative effects of the presence of Syrian refugees, and overlooked the potentially more positive impacts stemming from many refugees and asylum seekers being highly qualified, highly skilled and highly motivated.

The people currently displaced from Syria inevitably follow the pathways taken by Iraqi and Palestinian refugees before them (Marfleet and Chatty, 2009). These movements and the occasional return migratory ones have changed social identities and notions of belonging and have reshaped both the host societies and the communities of origin (Chatty et al., 2005). Regarded as temporary guests – rather than “refugees” – by their hosting authorities, some have set up “near-diasporic” communities while others have integrated or created new identities and ties to their reshaped host societies (Vertovec, 2001).

However, in the literature, beside adaptation and integration, we can find resilience to be a vital attribute for most refugees. Ellis et al. (2016) defined resilience as “an individual’s ability to withstand and recover from significant threats”. Indeed, Syrian refugees have experienced war and the destruction of their homes, and they have had to quit their families and their roots. So, they have had to adapt to a new situation and to face poverty and unemployment. Slepjen et al. (2017) stated that newcomers have been found to have an interplay with resilience strategies such as acting autonomously, interacting with their new societies and getting support from relatives and peers.

Besides, most refugees of high school and university age have had to abandon their studies due to high tuition fees, the bureaucratic difficulties linked to entering Lebanese universities, or the challenges faced in getting accreditation for degrees obtained while at school or university in Syria. As a result, most have reported taking low-skilled jobs upon their arrival in Lebanon. Children resorting to non-formal education face an additional burden given the lack of accreditation. So, an appropriate management strategy – specifically in terms of employment and its associated economic dividends arising from the potential skills of refugee migrants (Farmaki and Christou, 2018) – could help refugees to adapt and integrate in the host country.

This is in line with those academics and practitioners working with migrants who have pointed out the positive effects of entrepreneurship on both refugees and their host societies (Geyer, 2016). In the first place, it empowers refugees, who can easily feel helpless and lose confidence if they have to rely on government hand-outs. These people can regain their autonomy and confidence by managing businesses, earning money and engaging with their host community as contributors. In addition, migrant engagement in self-generating economic activities can change the public perception of them as a “societal burden”. This lessens negative public sentiment towards refugees (Geyer, 2016).

Finally, according to Yahya et al. (2018), the difficult situations faced by Syrian refugees in Lebanon have not manifested themselves by chance. The Lebanese approach is largely being shaped by four factors: the enormity of the refugee burden on such a small country; demographic fears; previous experiences with refugees; and domestic political dysfunctionality, which has contributed to incoherent refugee policies. Unsurprisingly, the relations between Lebanese and Syrians are growing increasingly strained, making an already challenging situation far worse. Considering this, in order to survive, refugees will develop their economic activities in the black market, and/or create their own businesses.

Culture and diversity
Besides social and economic factors, refugee and migrant entrepreneurship cannot be discussed without pointing out the effects of culture on migrant integration in their host countries. Many studies have pointed out culture as a key variable suited to better understand entrepreneurial behaviours and anticipate the various methods of accompaniment and
teaching that can influence it (Alexandre-Leclair and Redien-Collot, 2013). By highlighting the
integration, segregation or discrimination against ethnic minorities that stem from
economic needs and structural labour market characteristics, Knocke (2000) demonstrated
that intrinsic cultural factors hinder labour market integration. Ethnicity-based explanations of
entrepreneurship coexist with two arguments. The first, mostly developed by British scholars,
sees self-employment as the product of the context in which migrants live and
work: blocked opportunities, unemployment or discrimination leave migrants with no choice
but self-employment (Pécoud, 2010).

In regard to the relationship between cultural aspects and entrepreneurship, it has been
argued that some ethnic groups are endowed with social institutions and cultural norms that
foster entrepreneurial talent (Wilson and Portes, 1980); their tight social networks provide
flexible and efficient possibilities for the recruitment of personnel, the acquisition of capital and
the exchange of information based on mutual trust among network members (Werbner, 1990).
Another factor that influences ethnic entrepreneurial decisions in a host country is the propensity
for entrepreneurship in the immigrants’ home countries. Any historical differences between
countries in the rate of entrepreneurship will influence the likelihood of individuals becoming
entrepreneurs (Sternberg and Wennekers, 2005). We assume that Syrians, as compared to other
migrants, have the advantage of being familiar with Lebanese culture, as they speak the same
language and eat the same food. Doing business in Lebanon is less binding for them than it is for
other migrants. However, it would be interesting to point out how the specific characteristics of
the entrepreneurial actors’ environmental contexts influence their entrepreneurial strategies
(Audretsch and Keilbach, 2007; Moss et al., 2011). On the other hand, Ilhan-Nas et al. (2011)
suggested that the environmental context – such as socioeconomic context, institutional concept,
cultural background, financial factors, labour market and geographic context – influence the
outcomes at the individual, organisational and country levels. Besides, environmental context
elements are directly linked to pull and push factors such as social networks, gender,
demographics, etc. Indeed, pull and push factors may influence the features of international
ethnic entrepreneurship. Vice versa, the scale, the scope of the industry and structural factors
may influence outcomes and pull and push factors.

On the other hand, some studies (Alexandre-Leclair, 2014; Eraydin et al., 2010) have
demonstrated that, to deal with these obstacles, migrants create their own ventures with the
most powerful added value of “their own culture”. This added value is very often
represented by the management of ethnic restaurants, as this is the first differentiating
know-how mastered by migrants, especially women. However, diversity is considered by
some authors as a factor of competitiveness (Amin and Graham, 1997), when Eraydin et al.
(2010) considered diversity as a stimulus for innovation. Also, the “push” effect is related to
the diminution of the opportunity cost of engaging in entrepreneurship when individuals are
badly placed in the labour market. This is similar to the “refugee” effect – sometimes also
called “shopkeeper” effect – according to which, unemployment can lead to new-firm
start-ups. The “Schumpeter” effect, on the other hand, conveys the fact that new-firm
start-ups reduce unemployment (Aubry et al., 2015).

Also, in some cases, refugees may develop ethnic crafts and/or services in order to gain
autonomy and broaden their own culture. Indeed, migrants are promoters of transnational
economic exchange: having crossed borders, they are able to connect different countries and
markets. Thus, many individuals and families on the move feel the need to recreate
settlement and stability points that can strengthen their ties with their loved ones who still
live in their homelands, with their places of origin, their history and with the atmospheres
and symbols of the environments in which they grew up. On the other hand, through
transnational activities, migrant economic operators contribute to the creation of another
type of mobility involving autochthonous citizens: the mobility of the imagination, which
cuts across consumption practices and can even affect identification processes, thus
generating phenomena defined by cultural studies such as creolisation, syncretism and hybridisation. Whereas the consumption of food, music, beauty, etc., represents a sort of “homecoming” to migrants, to the autochthonous population, it represents a contribution that makes their own country richer and more diverse.

That being said, the institutional context plays a large role in promoting or discouraging migrant entrepreneurship. Ibrahim and Galt (2011) highlighted the role played by the institutional arrangements proposed by new institutional economists (North, 1990; Riordan and Williamson, 1985) in reducing transactions costs. These costs may be classified under three headings: search and information, bargaining and decision and policing and enforcement costs (Dahlman, 1979).

Methodology
The aim of this study is to uncover whether refugees in Lebanon consider starting their own businesses instead of finding salaried employment, what are their motivations to do so, and to identify the barriers they encounter in doing so. The most appropriate method to achieve this research objective is an explorative quantitative study aimed at gaining information on certain attitudes, experiences and knowledge (Kelley et al., 2003).

The survey was self-administered during February, March and April 2017 by ten recruited Syrian refugees. From there, a convenience sampling approach expanded the survey further through the snowball-effect among 4,000 Syrian refugees in four camps located in the north (719 out of 253,332: 0.28 per cent), south (520 out of 119,808: 0.43 per cent), east (1,267 out of 357,303: 0.35 per cent) and west (854 out of 270,608: 0.31 per cent) of Lebanon. It needs to be pointed out that there are no formal/legalised Syrian refugee camps in Lebanon.

The self-administered survey questions and answer choices were translated into the Arabic language to fit the respondents’ understanding. Closed questions employing nominal, ratio, and Likert scales were used to gather the primary data. The items – such as motivations, obstacles, financial issues, if they had been entrepreneurs in their home country, etc. – were used according to the study led by Wauters and Lambrecht (2006).

During the data collection, some issues were encountered in reaching the target group. Many people, who were willing to help by taking part in the research, had never filled out a survey before. Furthermore, some were afraid of or not accustomed to sharing their opinions, which resulted in missing data. Thus, out of the 4,000 respondents, 3,360 filled out the survey, 428 of whom were seeking asylum in Lebanon or somewhere else, and 2,932 of whom were refugees. Finally, the data were analysed with a logistic regression analysis under SPSS.

Results and interpretations
The figures and results reported in this section should be interpreted with caution due to the collected data pertaining to the formal self-employed activities of refugees in the informal Lebanese economy.

The surveyed elements’ demographics, broken down by gender, show 66.67 per cent of them being men and 33.33 per cent women. The respondents are mostly young, with 28.75 per cent being between the ages of 18 and 25, 33.33 per cent between 26 and 35 and 23.81 per cent 45 or older.

The analysis began with a measurement of the refugees’ interest and appetite for entrepreneurship. The outcome percentage of the 3,360 sample refugees who would have considered self-employment was quite high (71.4 per cent, see Table I).

A $\chi^2$ test indicated that the refugees who would have considered starting over as self-employed individuals in Lebanon were a significant majority among the sample: $\chi^2(1) = 617.143$ and $p < 0.05$. Most of the refugees had at least an appetite for and some interest in entrepreneurship.
Table II reports the reasons why our sample refugees wanted to become entrepreneurs. This was examined using 11 items measured on the nominal scale of: Definitely = 1, Probably = 2, Probably not = 3 and Definitely not = 4. These items represent each a relevant motivation for the underlying reason to become an entrepreneur. It is important to mention that those refugees who had expressed no intention of becoming entrepreneurs where excluded from this analysis; thus, only the responses from 2,400 refugees where considered. Table II reports the average score and rank of each item. In view of the aforementioned coding scheme, rank 1 was attributed to the lowest average score, which represents the most relevant motive for a refugee to become an entrepreneur. The findings show that the respondents’ most relevant reason to become entrepreneurs was to engage in activities similar to those they had in their country of origin (average score: 1.33). This was followed by three other motives with tied average scores of 1.40; namely, because entrepreneurship can be a profitable activity, because they liked to be their own bosses, and because this was the only way out of unemployment. It became necessary to determine the existence of any statistically significant difference between the average scores obtained for each motive. To this end, Friedman’s test was applied. This revealed no statistically significant differences ($p > 0.05$) between “To engage in an activity similar to that I had in my country of origin” on the one hand, and “Because this can be a profitable activity” and “Because I like to be my own boss” on the other hand. Conversely, the difference between “To engage in an activity similar to that I had in my country of origin” and “Because it is the only way out of unemployment” was found to be statistically significant at $p < 0.05$. In addition, all remaining motives significantly differed from “To engage in an activity similar to that I had in my country of origin” at $p < 0.05$. Ultimately, three equipotential motives drive refugees to become entrepreneurs; namely, to engage in an activity similar to that they had in their country of origin, because entrepreneurship can be a profitable activity, and because they liked to be their own bosses.

Table III reports the factors behind refugees not wanting to become entrepreneurs. Ranked first, with an average score of 1.33, are the lack of financial means to start a business, and the

<table>
<thead>
<tr>
<th>Would you ever consider starting again as a self-employed person in Lebanon?</th>
<th>Refugees ($n = 3,360$)</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2,400</td>
<td>71.4</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>960</td>
<td>28.6</td>
<td></td>
</tr>
</tbody>
</table>

Table I. Potential for entrepreneurship among refugees

<table>
<thead>
<tr>
<th>Average score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>To hasten my integration in Lebanese society</td>
<td>1.47</td>
</tr>
<tr>
<td>This can be a profitable activity</td>
<td>1.40</td>
</tr>
<tr>
<td>I like to be my own boss</td>
<td>1.40</td>
</tr>
<tr>
<td>To engage in an activity similar to that I had in my country of origin</td>
<td>1.33</td>
</tr>
<tr>
<td>I think there is a demand for my products/services</td>
<td>1.47</td>
</tr>
<tr>
<td>It is the only way out of unemployment</td>
<td>1.40</td>
</tr>
<tr>
<td>Entrepreneurship runs in my blood</td>
<td>1.73</td>
</tr>
<tr>
<td>To become rich</td>
<td>1.60</td>
</tr>
<tr>
<td>For the benefit of other refugees</td>
<td>2.13</td>
</tr>
<tr>
<td>There are not enough possibilities on the labour market</td>
<td>1.47</td>
</tr>
<tr>
<td>I came here to set up a business of my own</td>
<td>1.80</td>
</tr>
</tbody>
</table>

Table II. Refugees’ motives to become entrepreneurs

**Note:** $n = 2,400$
red tape and other administrative formalities. These are followed by “this too difficult for refugees”, “my future here is too uncertain” and “I have never thought about that”, all with an average score of 1.50. Friedman’s test gives no clear evidence of difference between the lack of financial means to start a business, the red tape and other administrative formalities, and having never thought about that, all at $p > 0.05$. The remaining reasons are all significantly different from the latter three. This finding can be explained by the fact that the locals already saturate the Lebanese market. On another note, refugees’ adversity to the risk of investing their savings could be crucial to their family financial dependency.

To examine the underlying attributes behind the refugees’ willingness to engage in entrepreneurship, a binary logistic regression model was developed. Appetite for entrepreneurship, which was the dependent variable in this model, took on two $Y$ values: $0 = \text{no}$ and $1 = \text{yes}$. The independent variables in the model were the gender of the respondent ($0 = \text{female}, 1 = \text{male}$), whether he or she had been self-employed in the past ($0 = \text{no}, 1 = \text{yes}$), and whether his or her family was self-employed ($0 = \text{no}, 1 = \text{yes}$). The logistic regression followed the equation:

$$\text{Logit} Y = \beta_0 + \beta_1 \times \text{Gender} + \beta_2 \times \text{Past self - employment} + \beta_3 \times \text{Family self - employment} + \epsilon,$$

where $Y$ is the probability of having an appetite for entrepreneurship; $\beta_0$ the intercept; $\beta_2$ and $\beta_3$ the coefficients of the regression; and $\epsilon$ the residual errors term.

Prior to investigating the results of the logistic regression analysis, a Spearman inter-correlation matrix is reported in Table IV to emphasise the non-parametric correlations.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Appetite for entrepreneurship</th>
<th>Gender</th>
<th>Past self-employment</th>
<th>Family self-employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appetite for entrepreneurship</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gender</td>
<td>0.224*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Past self-employment</td>
<td>0.392*</td>
<td>0.472*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Family self-employment</td>
<td>0.392*</td>
<td>0.067*</td>
<td>0.427*</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: $* p < 0.05$

Table III.
Refugees’ reasons not to become entrepreneurs

<table>
<thead>
<tr>
<th>Measure</th>
<th>Average score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is too difficult for a refugee/immigrant</td>
<td>1.50</td>
<td>2</td>
</tr>
<tr>
<td>My future here is too uncertain</td>
<td>1.50</td>
<td>2</td>
</tr>
<tr>
<td>I lack the financial means to start up a business</td>
<td>1.33</td>
<td>1</td>
</tr>
<tr>
<td>Red tape and other administrative formalities</td>
<td>1.33</td>
<td>1</td>
</tr>
<tr>
<td>The risk is too high</td>
<td>2.00</td>
<td>5</td>
</tr>
<tr>
<td>Entrepreneurship does not run in my blood</td>
<td>1.67</td>
<td>4</td>
</tr>
<tr>
<td>To engage in an activity similar to that I had in my country of origin</td>
<td>1.50</td>
<td>2</td>
</tr>
<tr>
<td>There are enough other possibilities on the labour market</td>
<td>1.60</td>
<td>3</td>
</tr>
<tr>
<td>I do not think it can be a profitable activity</td>
<td>2.33</td>
<td>6</td>
</tr>
<tr>
<td>The workload of a self-employed person is too heavy</td>
<td>2.33</td>
<td>6</td>
</tr>
<tr>
<td>I have never thought about that</td>
<td>1.50</td>
<td>2</td>
</tr>
<tr>
<td>The demand for my products/services is too small</td>
<td>2.33</td>
<td>6</td>
</tr>
<tr>
<td>I already have a decent job</td>
<td>2.67</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: $n = 960$
between the dependent and independent variables. A visual inspection of the table shows that all three independent variables—namely, gender, past self-employment, and family self-employment—were significantly positively correlated with an appetite for entrepreneurship. The latter justified the use of a logistic regression analysis, whereby the odds of a willingness for entrepreneurship could be estimated.

Table V reports the results of the logistic regression analysis. The three-predictor model provided a statistically significant improvement over the constant-only one, $\chi^2(3) = 835.619$ and $p < 0.05$. Nagelkerke’s $R^2$ indicates that the model accounts for 31.6 per cent of the total variance. The correct prediction rate is 71.4 per cent. Wald’s test elicits that the three independent variables significantly predict an appetite for entrepreneurship; all coefficients being significant at $p < 0.05$.

Also, the odds ratio for men becoming entrepreneurs was 1.697; that for respondents with past self-employment activity becoming entrepreneurs was 3.528; and that for respondents with self-employment activity in the family becoming entrepreneurs was 5.111.

The estimated equation of the logistic regression model was:

$$\text{Logit}Y = -0.456 + 0.529 \times \text{Gender} + 1.261 \times \text{Past self - employment} + 1.631 \times \text{Family self - employment}$$

The probabilities could be calculated using this equation. The results are reported in Table VI, which shows that male refugees who had engaged in self-employment activities in the past and who had self-employment activities in their families had a probability of 0.951 of becoming entrepreneurs. This finding was also supported for female refugees, albeit with a lower probability of 0.919.

Moreover, those male and female refugees who had engaged in self-employment activities in the past but had no self-employment activities in their families, respectively, had 0.792 and...
0.691 chances of becoming entrepreneurs. The latter inferences the role of family self-employment as a central motivation encouraging refugees to engage in entrepreneurship.

On another note, the probabilities of engaging in entrepreneurship ventures dropped to 0.846 for men and 0.764 for women refugees who had not previously engaged in self-employment activities but had self-employment activities in their families.

The lowest probabilities of undertaking entrepreneurship pertained to men (0.518) and women (0.388) who had not previously engaged in past self-employment activities and did not have any self-employment activities in their families.

Then, self-evident factors influence the motivations for refugee entrepreneurship, whereby most refugees were entrepreneurs in their home countries. This past activity considerably enhances their willingness to start entrepreneurial business activities in their host country (Table VII).

Past self-employment activity and self-employment activity in the family are thus established as the main factors behind the potential for refugee entrepreneurship. It then became relevant to analyse the refugees’ current self-employment status as a function of their potential entrepreneurship. In the survey, the current self-employment activity status was measured by a dichotomous item “Are you currently self-employed?” with two alternative answers – namely, “Yes” and “No”. The $\chi^2$ test of independence elicited that current self-employment was significantly associated to past self-employment, with $\chi^2(1) = 516.218$, Cramer’s $V = 0.392$ and $p < 0.05$. The results show that 60 per cent of refugees that had engaged in self-employment activities in the past were self-employed at the time of the survey.

**Discussion**

Obviously, those sample Syrian refugees who had some kind of entrepreneurship formation within their families seemed to possess a willingness to start new businesses in Lebanon. This study affirms the existence of a certain entrepreneurial spirit among them, one willing to show itself in the presence of a favourable environment. Certainly, this was aimed at regaining their autonomy and confidence, as pointed out by Geyer (2016), and also at avoiding unemployment and discrimination. Additionally, the average remuneration of the Syrian labour force was far below that of the Lebanese. This confirms the proposition held by Oxenfeldt (1943), who was the first to recognise that unemployed individuals or individuals with low prospects of paid employment may become self-employed to earn a living.

In addition, it worth noticing that most of our sample refugees and asylum seekers were men, but most of all, they were young. Obviously, they had self-employed members among their family members, which encouraged them to take the step of creating their own ventures. They also declared that they had been self-employed in their home country before coming to Lebanon.

Hence, the Syrian refugees had found themselves motivated to start their own entrepreneurial ventures by engaging in an activity similar to the one they used to perform in their own country. These facts may also have been affected by the shrinking work opportunities caused by the steady increase in Lebanese unemployment rates since 2014, which, in some cases, was a motive

<table>
<thead>
<tr>
<th>Table VII.</th>
<th>Cross-tabulation of appetite for entrepreneurship and current self-employment status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current self-employment</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Appetite for entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>160</td>
</tr>
<tr>
<td>Yes</td>
<td>1,440</td>
</tr>
<tr>
<td>Total</td>
<td>1,600</td>
</tr>
</tbody>
</table>
to open personal businesses in search of better and higher living standards. People usually tend to lean towards self-employment activities – especially when they have the resources to do so – once they perceive a certain market opportunity. In the case of Syrian refugees, the social diversity resulting from their displacement to the Lebanese territory was creating an opening for new market opportunities for the purpose of sustaining their presence, as many craftsmanship products no longer existed in Lebanon due to the technological development of the country, as pointed out by Alexandre-Leclair (2014) and Eraydin et al. (2010). Indeed, migrants often excel in the craftsmanship field as it represents their culture, and their offerings may be of interest to host country customers. Besides, the Syrian community in Lebanon is very supportive and ready to encourage the creation and the development of a social network, and a successful near-diasporic as suggested by Loizos (1999).

In regard to language, Syrian refugees are comfortable in Lebanon, as they speak the same language of the local people; thus, they could benefit from full social and economic integration, as argued by Kanas et al. (2009). The lack of a language barrier is very favourable to bridge social capital, which refers to contacts with natives, as these contacts link immigrants with people of various ethnicities and socioeconomic positions (Kanas et al., 2009). Indeed, according to Gladwell (2008), any success is due to a combination of social factors and support that enables a person to take advantage of any opportunity (Shneikat and Ryan, 2018).

In relation to entrepreneurial intentions, as presented by Ajzen (1991), Syrian refugees seem to have the desire, but are sceptical about the feasibility, as both the Lebanese Government’s policies and the socio-economic context seem to be very challenging. Having the intention to create their own businesses, Syrian refugees demonstrate a certain degree of resilience; this is in line with Masten and Reed (2002), who argued that resilience is characterised by the ability to cope effectively, recover, and maintain an equilibrium in spite of traumatic life events. Yassin (2016) – quoted by Shneikat and Ryan (2018) – also found that Syrian refugees possess high levels of resilience, which helps them to restart normal lives in host countries.

As for those regards immigrants who were already established and were not looking for self-employment, they had already long secured decent jobs across different industries. Their willingness towards undertaking entrepreneurial activities was limited by their skills and knowledge, which were in consistency with their employment histories. The workload linked to self-employment was viewed as being too heavy and too risky, taking into consideration the Lebanese socio-economic environment. Most of the actual refugees were seeking asylum and immigration to European and North American countries, to be reunited with their relatives. Table III confirms the hesitation expressed by the refugees to create a business in an unstable and unfavourable environment.

Indeed, in Lebanon, the official institutions only allow refugees to become part of an extremely limited and very narrow labour platform. According to Yahya et al. (2018), while initially welcoming, Lebanon has progressively adopted policies that reflect profound fears about the potential impact of the prolonged presence of Syrian refugees. This reticence has affected many aspects – from residency and mobility to access to employment, education and healthcare – albeit in varying degrees depending on the country. On the other hand, according to Carens (2005), newcomers should be granted legal rights, but on the condition that they respect the laws of their host countries. The Syrian refugees in Lebanon are granted humanitarian rights but local national policies forbid them to work in the country. When they arrive in Lebanon, they are required to sign a commitment not to take salaried employment. That is why Syrians are very active in the black market (representing a cheap workforce, especially in the agriculture sector and in services in general). This confirms Feagin and Eckberg’s (1980) arguments about the development of the black market for discriminated people. However, some Syrians are keen to gain their independence and to not
be a burden on their host society; thus, they create their own ventures. Our result is in the line with that of Collier (2017), who stated that refugees would rather restore their autonomy and embrace normality than wait for food in camps. Even though, they could be discouraged by the financial issues and the administrative formalities.

Finally, the results confirm the propositions made by Ilhan-Nas et al. (2011) in regard to the antecedents (push and pull factors), and to the influence of the environment on the decision to start a business. In our case, it seems that the refugees are using a combination of pull factors (intention to create a venture in the same business they used to run in their home country, the availability of social network thanks to the diaspora already present in the host country, speaking the same language which make the adaptation and the communication easier, sharing the same food and a lot of common ground with the Lebanese people). These pull factors constitute opportunities to the Syrian refugees especially when their offers are generally more competitive than Lebanese’s because they propose lower prices in general which represent a good value for money on the market. As regard the push factors (to survive without the aid of the NGOs, and to get around the local policies and the unfavourable economic conditions to get an employment in the formal market). These factors show that the refugees are proud and they want to prove their abilities to build their businesses and not to be a drain on society.

Conclusion
Lacking a unified plan over the past five years, the Lebanese Government has instigated a series of policies aimed at dealing with the constant flow of large numbers of Syrian refugees. These policies – which affect the refugees’ residency status, employment, housing and access to services such as health and education – have primarily been dictated by security concerns, political deadlock and the structural challenges linked to providing for a sudden and expanding influx of vulnerable population groups. Although Lebanon has provided a safe haven for refugees, these policies have also contributed to their increasing vulnerability and marginalisation. This paper tried to answer the following question:

RQ1. What motivates refugees to create their own businesses in a developing country, and how do they go about it?

The results show that most of the Syrian refugee have the appetite to create their own businesses. We can conclude that Syrian individuals profit from the presence of communities centred upon specific locations by introducing entrepreneurial activities sustaining their presence.

The findings are in line with those presented by Wauters and Lambrecht (2006) on the refugees in Belgium. However, we make other contributions to the academic debate: first, we studied the entrepreneurial motivations of refugees in a middle-eastern developing country while the other studies have focussed upon the adaptation of such individuals in a western and developed environment. It seems that Syrian refugees are willing to create a venture in Lebanon despite the unfavourable environment, because it is a neighbour country, sharing some cultural values such as food and language. The use of their ethnic language can help immigrants to strengthen their ties with the ethnic community and thus acquire access to ethnic resources. Besides, the awareness of ethnic norms and practices could be equally rewarding in self-employment. So, in the case of Syrian refugees in Lebanon, we can conclude that speaking the same language could be considered to be an advantage and, more importantly, an asset towards integrating in Lebanese society. Even though, according to Kanas et al. (2009), self-employed immigrants benefit from social contacts with natives mainly because of the resources they provide and not because of any improved host-country language skills or better school or work performance.
Second, the refugees are motivated by pull and push factors at once as we discussed in the precedent section. This result is complementary with the findings of Ibrahim and Galt (2011).

Third, although adaptation is easier, resilience is nevertheless needed due to the Lebanese Government’s policies, which forbid refugees to work in the country. This is in line with Shneikat and Ryan (2018), who stated that resistance is aided by access to sources of capital, both financial and social, and by past work experiences and education.

Fourth, with regard to migration studies in general, our paper stands half way between the various studies conducted on ethnic entrepreneurship, immigrant entrepreneurship and refugees. Indeed, we brought together many concepts such as social bonds, social capital, culture, political environment and the service industry.

On the managerial level, the findings of this study raise concrete recommendations for the Lebanese Government and aid organisations. They could help aid refugee integration into Lebanese society, and stimulate entrepreneurship as a whole. At the same time, the government or aid organisations could respond and act accordingly. It is important to know which refugees are likely to show entrepreneurial intent; to this end, this study demonstrates that entrepreneurial intentions are enhanced by a positive attitude towards entrepreneurship. Consequently, those refugees who show such an attitude should be targeted in the government’s efforts to stimulate entrepreneurship, shortly after arriving in Lebanon, as their entrepreneurial intent decreases with the time they spend, often unemployed, in the host country. Should government policy change, both the integration of refugees, and entrepreneurship in general would benefit. Besides, educational institutions do not simply transmit human capital; they also pass on social capital in the form of social rules and norms. This is true not just in primary and secondary education, but also in its higher and professional forms. Finally, states indirectly foster the creation of social capital by efficiently providing essential public goods, particularly property rights and public safety.

That being said, our study has presented the refugees’ motivations for entrepreneurship, but it has not enabled us to deepen our findings and study innovation, for example, or other factors such as financial issues or the role played by institutions. Also, it did not present a gender-based breakdown. Our results cannot be generalised, as the Lebanese environment is very different from those of other countries. Besides, Syrian refugees share many values and many aspects of their lifestyle with the Lebanese. So, we cannot extend the findings of their case to other ethnic populations. Besides, this study is limited by the fact that it did not identify the respondents’ education levels, neither the sectors in which the refugees may be willing to work. This notwithstanding, the service industry seems to be the most likely candidate.

However, our research offers other avenues of investigation, such as the barriers to refugees’ self-employment in other developing countries, and any background and cultural value differences.

Note
1. Social capital refers to the importance of the resources available to individuals through their social relations (Flap, 1999).

References


Libnanews (2018), available at: https://libnanews.com/


Further reading


L’Orient Le jour (2017), L’Orient Le jour, 26 July.


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