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Immigrant and Ethnic Entrepreneurship

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Jan Brzozowski

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Faculty of Economics and International Relations
Centre for Strategic and International Entrepreneurship
ul. Rakowicka 27, 31-510 Kraków, Poland
phone +48 12 293 5376, -5327, fax +48 12 293 5042
e-mail: eber@uek.krakow.pl
www.eber.uek.krakow.pl

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Immigrant and Ethnic Entrepreneurship
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Editorial: Immigrant and Ethnic Entrepreneurship

The importance of businesses started and developed by immigrants is host countries is substantial. Just in the US, 90 of the enterprises listed on Fortune 500 have been founded by immigrants (cf. Partnership for a New American Economy, 2011). As the contribution of immigrant entrepreneurship for the global economy is recognized by policy makers and experts, it is also reflected in the growing research on this topic. Research papers on immigrant and ethnic entrepreneurship have increased in numbers in 2000s and in the second decade of 21st century (Drori, Honig, & Wright, 2009; Mueller, 2014; Aliaga-Isla & Rialp, 2013).

Still, this emerging and rapidly growing field of study suffers from a number of limitations. The first one is the concentration of the bulk of the research on a small number of countries (mostly the US and Canada) and few, selected ethnic groups (Latino, Chinese, Korean). The second deficiency is the modest number of theoretical concepts developed for the analysis of the phenomenon. Another gap in the current research is the small number of quantitative approaches. Then, there are several underserved topics, including less popular geographical locations, disadvantaged immigrant ethnic groups at the risk of marginalization on one hand, and the successful intentional immigrant entrepreneurs on the other, and the gender perspective. Finally, the most visible drawback in current research agenda is the limited interdisciplinary approach both to empirics and theory. Although immigrant entrepreneurship research is firmly established within the business/entrepreneurship studies, it needs a more comprehensive dialogue with the migration studies, including such disciplines as sociology and anthropology.

Our special issue on immigrant and ethnic entrepreneurship aims to address at least some of the aforementioned research gaps. The first paper *Economic Integration of Immigrant Entrepreneurs* authored by Nonna Kushnirovich depicts the topic from the perspective of an important, yet seldom mentioned in former studies, country - Israel. This empirical paper uses a quantitative approach, and the novelty is the comparative analysis of the economic performance of the immigrant entrepreneurs with the native-born entrepreneurs.

The second paper *Immigrant Capital and Entrepreneurial Opportunities* written by Malavika Sundararajan and Binod Sundararajan offers a new and extremely stimulating theoretical perspective for the studies of immigrant businesses. The authors develop a concept of immigrant capital and posit prepositions that can be tested in the future empirical research projects.

Beata Glinka and Agnieszka Brzozowska enrich the interdisciplinary dimension of the immigrant entrepreneurship research. In their paper entitled *Immigrant Entrepreneurs: in Search of Identity* they analyse the seldom inspected issue of ethnic identity dynamics

of the business owners in a host country, connecting this field of research to migration studies literature.

Prue Cruickshank and Ann Dupuis investigate the process of economic adaptation of immigrant entrepreneurs from the perspective of New Zealand. In their article entitled *The Adaptation of Intentional Immigrant Entrepreneurs: A Case Study,* they focus on a very specific, and not widely explored, type of immigrant entrepreneurs - the intentional investors, who come to a host country with a specific aim to set up a business, attracted by specific migration programs. Therefore, their analysis is very interesting from the perspective of policy-makers.

Sharon Doreen Mayer, Aki Harima and Jörg Freiling in their paper *Network Benefits for Ghanaian Diaspora and Returnee Entrepreneurs* analyse the importance of networks by diaspora and returnee entrepreneurs. Their paper, albeit explorative in nature, offers a fresh perspective on the investigations on the role of social capital for the migrant business development.

Sylvie Paré and Ralph Christian Maloumby-Baka in the article *The Role of 'Public – Third Sector' Relations in Solving Social Issues: the Case of the One-Stop-Shop Service for the Promotion of Female Immigrant Entrepreneurship in Montreal* focus on the linkages between the public and third sector, and the immigrant economic integration and immigrant entrepreneurship of the disadvantaged social groups, namely the females. Thus, the paper provides a valuable contribution by introducing a gender perspective to the topic of immigrant businesses.

The final paper *Modes of Entry to Male Immigrant Entrepreneurship in a Rural Context: Start-up Stories from Northern Norway* authored Mai Camilla Munkejord, corresponds to the former one, by also adapting the gender perspective lens. Additionally, this research investigates a very specific type of entrepreneurship, started and developed by immigrants in rural areas, which is an additional novelty.

I hope that both scholars and policy-makers will find this issue interesting and stimulating.

Jan Brzozowski
Issue Editor

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Economic Integration of Immigrant Entrepreneurs

Nonna Kushnirovich

ABSTRACT

Objective: This study investigates economic integration of immigrant entrepreneurs by comparing them with their native-born counterparts, and examines whether and how entrepreneurs' socio-cultural integration affects their economic integration.

Research Design & Methods: This study is based on data of the Social Surveys conducted by the Israeli Central Bureau of Statistics in 2008, 2010 and 2012. The sample included 1133 native-born and 576 immigrant entrepreneurs.

Findings: Socio-cultural integration is not necessarily associated with economic integration and a high income. Immigrants can earn the same and even more than native-born entrepreneurs do, even if they have a low level of socio-cultural integration. The impact of socio-cultural integration on immigrant entrepreneurs' income varies by their origin.

Implications & Recommendations: Understanding integration of immigrant entrepreneurs and the factors affecting their income will help policy-makers to facilitate their economic advancement.

Contribution & Value Added: Based on Berry's concept, I propose a model of entrepreneurs' integration. The model stresses interrelations between socio-cultural and economic integration.

Article type: research paper
Keywords: immigrant businesses; entrepreneurship; economic integration
JEL codes: L26, F22

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INTRODUCTION

In business and immigrant research, the issue of immigrant entrepreneurship is recently in the limelight. Immigrant entrepreneurship is considered a viable employment and income solution for immigrants, a bypass option for economic advancement, and an important factor of immigrants' integration in the host country (Heilbrunn & Kushnirovich, 2008; Riva & Lucchini, 2015). Income is commonly considered a sign of immigrants' economic integration; therefore, investigating income of entrepreneurs is of great importance.

Whereas the issue of economic integration and earnings of salaried immigrant workers is widely discussed in the literature (see Borjas, 1994; Chiswick; 1978; Cohen & Haberfeld, 2007; Constant & Zimmermann, 2009), there is a paucity of studies on economic integration of entrepreneurs. Most studies on immigrant entrepreneurs focus on their socio-cultural integration in terms of involvement in co-ethnic dealing within immigrant ethnic enclaves (Barrett et al., 2002; Kloosterman & Rath, 2001; Portes & Jensen, 1992; Sanders & Nee, 1992; Wilson & Martin, 1982). Some scholars claim that co-ethnic dealing does not provide entrepreneurs with higher benefits, and they are even penalized economically (Aguilera, 2009; Bates, 1996; Ndofor & Priem, 2011). Other scholars posit that utilizing ethnic networks helps to mobilize capital, recruit cheap labor, gain clients and suppliers, access information, and, in this way, facilitate sales and income generation (Danes et al., 2008; Dyer, 2006; Ibrahim & Galt, 2011). According to these contradicting approaches, the questions whether immigrant entrepreneurs earn more or less than their native-born counterparts, and whether socio-cultural integration of immigrant entrepreneurs is a necessary condition for their economic integration, remain open.

This paper aims to fill this gap by investigating economic integration of immigrant entrepreneurs in terms of their incomes, and understanding how socio-cultural integration relates to economic integration, and what the ethnic differences in their relationship are. This study contributes to research on entrepreneurship, but also to migration research by developing a model of entrepreneurs' integration based on Berry's (1997) concept.

The study focuses on immigrant and native-born entrepreneurs in Israel. By examining the data of the annual 2008, 2010 and 2012 national Social Surveys, and applying ordinal regression techniques, the study demonstrates that being an immigrant does not mean automatically receiving lower income, and that immigrants' integration differs between immigrant groups.

The plan of this paper is as follows: the first part of the paper reviews the relevant literature and is devoted to theoretical approaches to economic and socio-cultural integration of immigrant entrepreneurs and determinants of such integration; the next part presents the study's empirical model specification, data source, and measures. The third part illustrates the results of the study. It is devoted to differences in income between various groups of immigrant and native-born entrepreneurs, and investigates the relationship between socio-cultural integration and income controlling for personal and business characteristics. The final section summarizes the findings and discusses the conclusions.

LITERATURE REVIEWAND THEORY DEVELOPMENT

A growing range of studies on immigrant entrepreneurship characterizes immigrant businesses as relatively small, low-income ventures (Ensign & Robinson, 2011; Neville et al., 2014). Entrepreneurs' low income is often explained by their orientation toward co-ethnic immigrant communities. Immigrant clients tend to buy cheaper goods that can reduce revenue of immigrant businesses. Reliance on co-ethnic markets can constrain market penetration and growth of business since its potential for sustainable economic growth is limited by the size of such market (Curci & Mackoy, 2010; Danes et al., 2008; Ibrahim & Galt, 2011).

Nevertheless, empirical studies on immigrant business performance demonstrated mixed results. When most studies found that immigrant businesses perform worse than those owned by native-born persons, and the incomes of immigrant entrepreneurs are lower (Baycan-Levent & Nijkamp, 2009; Ndofor &Priem, 2011; Heilbrunn & Kushnirovich, 2007), other authors found no discernible income differences between self-employed natives and immigrants (Constant & Zimmermann, 2006). They claim that immigrant business outcomes vary by the origin and ethnicity of the owner (Robb & Fairlie, 2009; Riva & Lucchini, 2015), and that self-employed immigrants of certain origin can have even higher incomes than comparable self-employed natives do (Borjas, 1994; Robb & Fairlie, 2009). Irrespective of the position as to existing income gaps between immigrant and native-born entrepreneurs, there is a common consensus in the literature that the income of immigrant businesses and immigrant entrepreneurs tends to increase with the years of exposure to the host country. This rise is often explained as a result and a sign of immigrants' integration (Amit, 2012; Bommes & Kolb, 2006; Chiswick & Repetto, 2000; Constant & Zimmermann, 2009; Lofstrom, 2004).

In the literature, two kinds of immigrants' integration are discussed: socio-cultural integration and economic integration. Socio-cultural integration is usually analyzed in the framework of Berry's model of acculturation (Berry, 1997, 2003, 2005). According to this model, integration is one of four acculturation strategies: Assimilation, Integration, Separation, and Marginalization. If immigrants retain both their culture of origin and adopt the host society culture, they are considered as integrated in the host society. When they replace the patterns of their culture of origin with those of the host society, they adopt assimilation. If they avoid interaction with the host society while keeping their culture of origin, this strategy is called separation, and marginalization occurs when immigrants neither maintain their culture of origin nor interact with the host society (Berry, 1997, 2003, 2005).

The extent of involvement in the culture of the host country is usually described in terms of host country language skills and the length of exposure to this culture. Language proficiency is a central and unique factor reflecting immigrants' integration (Amit, 2012). Language is one of five core elements chosen by Constant, Gataullina & Zimmermann (2009) for evaluating ethnic identity and calculating a so-called *ethnosizer* index of cultural and societal commitment, which quantifies how ethnic an individual is. Immigrants who are better skilled in the language of the host country and speak it on a daily basis are more integrated into the mainstream economy (Chiswick & Repetto, 2000); correspondingly, they earn more than those who have a language barrier (Constant & Zim-

mermann, 2006). Immigrants weaker in language skills have fewer social or business links with the native community, that restricts their opportunity scope and thus influences their business activity (Stone & Stubbs, 2007). Owners of ethnic businesses do not have to study the language of the host country; they can communicate with clients, workers, and suppliers in their mother language (Aguilera, 2009; Ibrahim & Galt, 2011; Olson, Zuiker & Montalto, 2000). This is a strategy of separation or marginalization, but not of integration.

Interaction of immigrants with the culture of the host country and the extent of their involvement in it should be greater the longer immigrants are exposed to it. Exposure in time units is usually measured by length of residence in the host country, in other words, years that have passed since migration (Chiswick & Repetto, 2000; Amit, 2012). The years of exposure to the host country is a crucial element of immigrants' socio-cultural integration. This is relevant for immigrant entrepreneurs even more than for salaried workers, since setting up and operating a business requires intensive contacts and communication with the native population and native-born representatives of institutions (authorities, banks etc.). This communication requires adopting the social norms of the host country. Thus, socio-cultural integration of entrepreneurs can be described in terms of host country language skills and length of residence in the host country, by which each parameter has an independent effect on the immigrants' income (Algan et al., 2010; Dustmann, 2000).

Whereas there is consensus among social scientists regarding the strategies of socio-cultural integration, economic studies often do not distinguish between the concepts of assimilation and integration. Economic integration is generally discussed in terms of earnings parity between immigrants and natives with similar characteristics (Amit, 2012; Cohen & Haberfeld, 2007), and a rise of immigrants' income over time (Borjas, 1994). According to Chiswick (1978), assimilation is the rate at which the earnings of immigrants converge to or even exceed the earnings of the native population. Constant & Zimmermann (2009) posit that 'catching up of earnings' means that immigrants and natives are indistinguishable in terms of their earnings, and economic assimilation is achieved. According to Bommes & Kolb (2006), when assimilation strategy occurs, immigrant entrepreneurs adopt the entrepreneurial principles of the native population. Their study is one of the rare ones, which distinguish between economic assimilation and integration of entrepreneurs. They define the latter as the "ability to pay and the effort to gain this ability by either selling services or goods" (Bommes & Kolb, 2006, p. 100).

Research on entrepreneurship has proposed that business outcomes are affected by factors concerning the individual, firm, and environment (context) (Santarelli & Vivarelli, 2007; Storey, 1994). Human, social, and economic capital of entrepreneurs are crucial factors of business success (Lerner & Khavul, 2003). Personal characteristics and education of business owners, as well as firm characteristics, explain variation in business outcomes across entrepreneurs of different origin (Riva & Lucchini, 2015).

The role of personal characteristics and education in immigrant entrepreneurship is widely discussed in the literature. Education usually is considered as a factor that positively affects success of immigrant entrepreneurs in terms of their earnings (Robinson & Sexton, 1994). Age is another important determinant of income. The earnings of immigrant entrepreneurs increase with age (Fairlie, 2004; Lofstrom, 2004), when the rates of

their growth decrease (Constant & Shachmurove, 2006) However, some authors posit that young immigrant entrepreneurs, who have socialized in the host country and have better language proficiency, earn more than their native-born counterparts do (Constant & Schulz-Nielsen, 2004). Another personal characteristic that is likely to affect the income of immigrant entrepreneurs is gender. Immigrant women occupy the niches that are less lucrative (Light, 2007). They are "double disadvantaged", first as immigrants and second as women, and, therefore, earn less than males (Kushnirovich, 2007).

Firm characteristics usually include engagement in a certain sector of business activity and duration of business activity. Many scholars stress that immigrant entrepreneurs engage in different business activities than native-born persons do, due to the particularities of their human and cultural capital (differences in education, professions, cultural norms, beliefs, and values derived from the culture of origin). Bates (1985) claimed that educated and more productive ethnic entrepreneurs are concentrated in businesses outside the retail and service industries. Robb and Fairlie (2009), in their study on entrepreneurs of Asian origin in the USA, found that they were less frequently engaged in mining and construction industries than native entrepreneurs were, and were more likely to be found in the wholesale industry, which is characterized by higher capital requirements for entry. Yet, they were about equally likely as “whites” to be in the personal services industry and professional services. Chances of a business to succeed are lower in such industries as retail, accommodation, and food service activities (Riva & Lucchini, 2015). Correspondingly, industries such as manufacturing and wholesale trade are more successful (Fritsch, Brixy & Falck, 2006). Different distribution of immigrant and native-born entrepreneurs among the industries can be explained by the fact that in less attractive branches low start-up capital is required. Firm’s age or experience, expressed as number of years in business, is another important predictor of the income received from the business (Shoobridge, 2006).

MATERIAL AND METHODS

Model Specifications

This study transcends Berry’s (1997, 2003, 2005) concept and develops its application to integration of entrepreneurs. All immigrant entrepreneurs can be placed on a bi-dimensional scale based on two basic criteria, which can receive either negative or positive values: economic integration and socio-cultural integration (Figure 1). Keeping in mind that the main aim of a business is generating income for its owners, income received by an entrepreneur from business reflects the entrepreneur’s success and represents returns to the entrepreneur on investment in the business (Ndofor & Priem, 2011). Self-employment earnings differ from salary since they represent not only returns on human capital but also returns on financial capital (Lofstrom, 2011). Thus, income received from a business can be used as a measure of the immigrant entrepreneur’s economic success, which is a proxy of economic integration. In this study, economic integration is described in terms of income received by the entrepreneur from a business, and socio-cultural integration is described in terms of host country language skills and length of living in the host country. A model of immigrant entrepreneurs’ integration is presented in Figure 1.

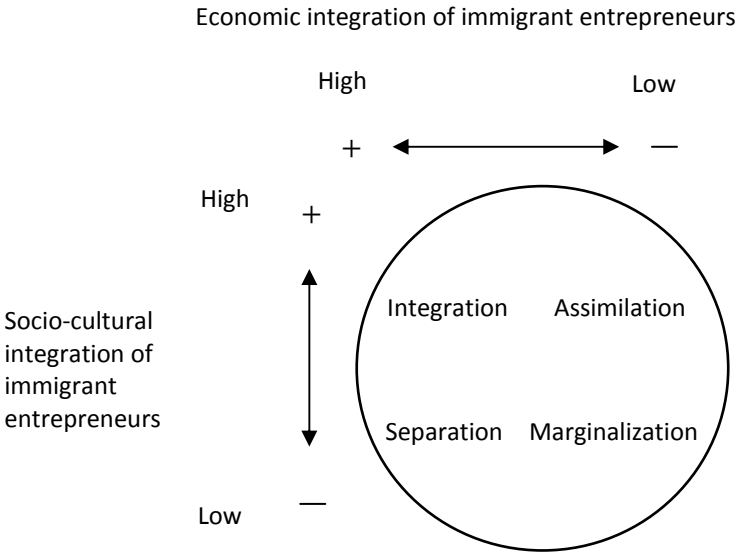

Figure 1. Model of entrepreneurs' integration
Source: own study based on the Berry's model (Berry, 1997, 2003, 2005).

If socio-cultural integration of immigrant entrepreneurs is low (for example, entrepreneurs have lived in the host country for a short time and have low host language skills), and their income is lower than that of native-born entrepreneurs, they can be perceived as marginalized. Those with low socio-cultural integration, but having an income similar to or even higher than that of native businesses, can be considered as separated. They can receive higher income than native entrepreneurs do because they utilize advantages provided by ethnic networks and ethnic-protected markets. The higher the socio-cultural integration of immigrant entrepreneurs is, the more assimilated they are. Nevertheless, their income is low because of specific difficulties and constraints that immigrants face when entering common non-ethnic competitive markets. And finally, immigrant entrepreneurs can be perceived as integrated if they are both socio-culturally and economically integrated: they are proficient in the host country language, and due to their long exposure to the host country have acquired rich social and cultural capital contacting with natives. All that allows immigrants to utilize opportunities of both ethnic and non-ethnic markets, and, due to that, receive an income which is the same or even higher than that of native-born entrepreneurs. It is important to note that economic integration may influence socio-cultural integration as well; economic inclusion can lead to social inclusion and vice versa. Thus, the concepts of socio-cultural and economic integration are interrelated.

Based on the model of entrepreneurs' integration and the literature review, it can be hypothesised that:

H1: There will be differences in business generated income between native-born and immigrant entrepreneurs of different origin.

H2: Socio-cultural integration in terms of Hebrew proficiency (H2.a) and length of living in the host country (H2.b) significantly relates to economic integration of immigrant entrepreneurs.

H3: Effects of socio-cultural integration in terms of Hebrew proficiency (H3.a) and length of living in the host country (H3.b) will be different for immigrants of different origin.

Income received from a business is used as a measure of an immigrant entrepreneur's economic integration. Since income is an ordinal variable, I used ordered regression model in order to determine whether indicators of socio-cultural integration affect the income and estimate their effects while controlling for a set of personal and business characteristics. The ordered logit model is built around a latent regression, where Y_i^* is the unobserved dependent variable of income, X_i is a vector of explanatory variables, $\beta$is an unknown parameter vector, and ε is the error term:

$$Y_i^* = \beta X_i + \varepsilon_i \quad (1)$$

Instead of Y_i^* the following is observed:

$$\begin{aligned} Y &= 1 \; if: \mathrm{Y}^* < \mu_1 \\ Y &= 2 \; if: \mu_1 \leq \mathrm{Y}^* < \mu_2 \\ &\vdots \\ Y &= J \; if: \mu_{J-1} \leq \mathrm{Y}^*, \end{aligned}$$

where:

Y- is the category of income ranked into *j*categories,μ is the vector unknown threshold parameters estimated with the β vector.

The final model specification for Y_i^*, the gross monthly income derived from a business by an individual *i*, is:

$$Y_i^* = \alpha P_{k,i} + \delta Z_{m,i} + \gamma S_{t,i} + \omega\theta_{n,i} + \varepsilon_i \quad (2)$$

In equation (2), P_k represents a vector of personal characteristics, such as age, gender, and education; Z_m represents a vector of business characteristics, such as duration of business activity and a sector of business activity; S_t represents the entrepreneur's socio-cultural integration characteristics, such as Hebrew proficiency and years since migration (YSM); and ϑ_n represents dummies expressing country of origin. The ε term does not appear to be under the person's control and is associated with unexpected positive and negative circumstances of business activity.

In order to examine whether the effects of integration terms on the entrepreneur's income differ across immigrant entrepreneurs of different origin, a multiplicative interaction regression modelwas conducted. In addition to the main predictors, the model included interactions between dummy variables of origin and variables reflecting the immigrant entrepreneur's integration. The following regression was then estimated:

$$Y_i^* = \alpha P_{k,i} + \delta Z_{m,i} + \gamma S_{t,i} + \omega\theta_{n,i} + \rho\theta_{n,i} \times S_{t,i} + \varepsilon_i \quad (3)$$

Data

This study is based on the data of the annual Social Survey conducted by the Israeli Central Bureau of Statistics. The survey population comprises of the permanent

non-institutional population of Israel aged 20[1] and older, and immigrants are included in the survey population if they have been present in Israel for at least six months. The Israeli Social Survey does not include temporary workers or non-permanent residents. Since the survey sample is a representative of the Israeli population, of which immigrants constitute only about a quarter, and taking into account that the rates of entrepreneurship of total Israeli population are about fifteen percent, only about 200 immigrant entrepreneurs participate every year in the Social Survey. In order to increase the number of immigrant entrepreneur respondents in the study sample, the data of three annual social surveys conducted in 2008, 2010 and 2012 were combined. Social Survey questionnaires were administered by means of computer-assisted personal interviews that lasted about an hour.

It is important to note that under the Israeli Law of Return, immigration to Israel is selective for Jews and members of their families, who are awarded citizenship upon arrival. Therefore, there are no official visa or financial requirements to become an immigrant entrepreneur in Israel. Despite some similarity in religious and ethnic backgrounds, the differences in the cultural capital according to the countries of origin are still considerable. Based on the origin, immigrants to Israel are traditionally divided to sub-ethnic groups: immigrants from Europe & America (hereafter E&A), so called *Ashkenazim*, and immigrants from Asia-Africa (hereafter A&A), called *Mizrahim* or *Sephardim*. Most *Mizrahim* immigrated from Muslim countries of Asia and North Africa, and *Ashkenazim* arrived mostly from Christian countries (Smooha, 2008). Since the mid-1980s, immigration from Ethiopia started. Although Ethiopian immigrants are a distinct sub-ethnic community with their own language and tradition, they are a relatively small group that comprises only about 5% of all immigrants who came in Israel in this period. In the Israeli national statistics, they are usually included in the A&A immigrant group. In the 1990s, after the collapse of the Former Soviet Union (hereafter FSU), the massive wave of immigration from FSU states began. FSU immigrants created a separate ethnic sub-group, which is characterized with developed ethnic communities (Horowitz, 2005; Kushnirovich 2007, 2010; Remennick, 2004). FSU immigrants are the largest group of immigrants, which constitutes more than 80 percent of the new immigrants who have entered Israel since 1990, and comprises today more than 10 percent of the Israeli population.

The differences in levels of education, income, and labor market position between immigrants from E&A, A&A, and FSU, all favoring the first group, are well-documented (Cohen & Haberfeld, 2007; Lewin-Epstein & Semyonov, 1992; Smooha, 2008). A&A immigrants can be considered as a low-skilled group, and E&A and FSU immigrants as high-skilled groups, when FSU immigrants have been living in Israel for a shorter period of time than the other groups. Another dissimilarity between FSU and other immigrants is that for the latter, the main motives for immigration to Israel were religious, as well as anti-Semitic concerns and lack of personal security, while the motives of FSU immigrants were more diverse and included economic considerations (Amit, 2012). In this study, three groups of immigrants are considered separately. The final sample of the study includes 1709 entrepreneurs: 1133 native-born entrepreneurs and 576 immigrant entre-

[1]Due to compulsory military service to which both men and women are obligated, 18-20 years old persons do not participate in Social Surveys.

preneurs, thereof 194 E&A entrepreneurs, 208 A&A entrepreneurs, and 174 FSU entrepreneurs.

Since the study is based on the data deriving from surveys conducted by the Central Statistics Bureau, and the survey questionnaire did not include questions about co-ethnic clients, suppliers, and workers, there was no opportunity to assess the level of co-ethnic business dealing. In this study, socio-economic integration is expressed in terms of language skills and duration of living in the host country. However, one can suppose that entrepreneurs, who reported low Hebrew skills and lived in Israel for a short time, would be inclined to operate in co-ethnic enclaves.

Income generated by an immigrant entrepreneur from a business (in terms of salaries, dividends, etc.) is an ordinal variable categorized on a scale of "1"=2000 NIS or less per month to "10"= more than 21 000 NIS per month. Gender is measured by a dummy variable (0 = female; 1 = male). Age is an ordinal variable categorized on a scale of "1" to "10" ("1"=20-24 years old, "2"=25-29, "3"=30-34, "4"=35-39, "5"=40-44, "6"=45-49, "7"=50-54, "8"=55-59, "9"=60-64, "10"=65-70[2]). Marital status is indicated by a dichotomy variable ("1" = Married/Living with a partner; "0" = Single/Widowed/Divorced). Years of education are coded on a scale from "0"= did not study at all to "6"= 16 years or more. Hebrew proficiency is based on three components: speaking Hebrew, writing in Hebrew, and reading in Hebrew, when each is categorized on a scale of "1" = no command at all to "5" = very good command. The Index of Hebrew proficiency is computed as an average of these three items; their reliability coefficient showed an internal consistency (Cronbach alpha = 0.945). Years since migration are a continuous variable. Duration of business activity is categorized on a scale of "1" = 6-11 months to "11" = 40 years or more. Business branches are classified on the basis of Social Survey statistical classification of economic activities into: Agriculture, Manufacturing & Construction (hereafter AMC); Trade, Transport, Storage & Communication (hereafter TTSC); Renting, Banking, & Insurance (hereafter RBI); Health Services & Social Work (hereafter HSW); Education, Community Services & Social Services (hereafter ECS); Accommodation, Restaurants & Private Services of Households (hereafter ARP). The year of survey, reflecting macroeconomic situation and other environment factors, was included as a control variable, and measured by dummy variables 2008 and 2010, when the reference category was 2012. Origin of immigrants was presented as a set of dummy variables: FSU, A&A, whereas immigrants from E&A were the reference group.

RESULTS AND DISCUSSION

Characteristics of Entrepreneurs

The rates of entrepreneurship among immigrants from E&A and A&A are almost 1.5 times higher than those of the Israeli-born population: 21.7 percent among immigrants from E&A, and 20.6 percent among immigrants from A&A versus 14.4 percent among the Israeli-born population. However, entrepreneurship rates among FSU immigrants are only 7.4 percent, significantly lower than the rates of other population groups (Chi-square=165.8, Sig. = 0.000).

[2]In Israel, the work age is up to 67 years for men and 65 years for women.

The demographic characteristics of entrepreneurs differ by their origin (Table 1). The share of women is the highest among immigrant entrepreneurs from E&A (41.2 percent), and the lowest among entrepreneurs from A&A (25 percent). Entrepreneurs from A&A are the oldest; they have lived in Israel the longest time and, correspondingly, have the longest duration of business activity. In contrast, immigrants from the FSU are the youngest among immigrants; they have lived in the host country the least number of years, and have the shortest duration of business activity.

Table 1. Characteristics of the study sample(entrepreneurs in Israel in 2008, 2010, 2012)

Characteristics	Origin				Test[a] (*p*-value)
	Israel	E&A	A&A	FSU	
Number of entrepreneurs, N	1133	194	208	174	
From them:	100%	100%	100%	100%	
- Self-employed/ business owner or receiving payment from customers	85.3	85.1	93.3	93.7	Chi-square=17.8** (0.000)
- Manager of a limited company owned or controlled by him/her (at least 51% control)	14.7	14.9	6.7	6.3	
Female, %	32.2	41.2	25.0	36.8	Chi-square =13.4** (0.004)
Age, mean category[b]	5.59	7.19	8.25	5.66	ANOVA F=91.7*** (0.000)
Married, %	77.2	79.4	85.1	70.1	Chi-square =12.8** (0.005)
Years of education, mean category[b]	5.18	5.32	4.41	5.04	ANOVA F=37.9*** (0.000)
Hebrew proficiency, mean	4.9	4.3	4.4	3.8	ANOVA F=204.5*** (0.000)
Duration of business activity, mean category[b]	3.84	4.52	5.72	3.51	ANOVA F=46.3*** (0.000)
YSM, mean		36.9	46.4	20.0	ANOVA F=160.2*** (0.000)
Sectors of economy[c]:	100%	100%	100%	100%	Chi-square =71.4*** (0.000)
AMC	19.3	12.6	25.1	18.0	
TTSC	21.4	18.3	31.9	20.9	
RBI	29.2	37.7	15.9	20.9	
HSW	8.1	14.1	6.8	13.4	
ECS	16.3	15.2	9.7	20.9	
ARP	5.8	2.1	10.6	5.8	

[a] The tests examine the differences between four groups. ***Sig. < 0.000; **Sig. < 0.005; *Sig. < 0.05.

[b] See description of the variables in Data section.

[c] AMC = Agriculture, Manufacturing & Construction, TTSC = Trade, Transport, Storage & Communication, RBI = Renting, Banking, & Insurance, HSW = Health Services & Social Work, ECS = Education, Community Services & Social Services, ARP = Accommodation, Restaurants &Private services of households.

Source: own elaboration based on the data of the Social Surveys conducted by the Israeli Central Bureau of Statistics in 2008, 2010, 2012.

The groups of entrepreneurs differ as to human endowment. Immigrant entrepreneurs from E&A are the most educated group, and immigrants from A&A are the least educated. A high percentage of immigrants from E&A and Israeli-born entrepreneurs are managers of limited companies owned or controlled by them. In contrast, almost all immigrant entrepreneurs from A&A and the FSU are self-employed or small business owners (about 93 percent).

Immigrant entrepreneurs from the FSU are the most similar group to Israeli-born entrepreneurs. They resemble their Israeli-born counterparts by gender distribution, age, education, and duration of business activity. They also have similar distribution of businesses by economic sector: like Israeli-born entrepreneurs, they are almost evenly distributed among the AMC, TTSC, RBI, and ECS sectors. However, the distribution of other groups of entrepreneurs differs. Immigrants from E&A are overrepresented in the RBI sector, and entrepreneurs from A&A are more likely to be engaged in the TTSC and ARP sectors than other groups of entrepreneurs.

Income of Entrepreneurs by Origin

The primary question raised in this paper is whether business generated income of immigrants is different from that of native-born entrepreneurs. Table 2 shows native-immigrant gaps in estimated incomes of entrepreneurs. Income can be a result of endowments in human capital, a distribution between the sectors of economy, as well as personal characteristics of entrepreneurs. Estimated income is received by means of

Table 2. Native-immigrant gaps in estimated income received from business, by sector of economy (Israel in 2008, 2010, 2012)

Income from business	Income gaps between the groups[a]			ANOVA F [a] (*p*-value)
	Israel – E&A	Israel – A&A	Israel – FSU	
Total	-0.47	0.69*	1.37***	F=13.776*** (0.000)
By sectors of economy				
AMC	1.11	1.51**	1.18	F=5.317** (0.001)
TTSC	0.45	1.53***	1.83***	F=8.315*** (0.000)
RBI	-1.44***	-0.32	1.12	F=8.011*** (0.000)
HSW	-0.57	0.63	-0.94	F=0.850 (0.468)
ECS	-0.34	-1.81	2.19**	F=5.963** (0.001)
ARP	1.97	1.31	0.92	F=1.030 (0.383)

[a] Asterisks show that the Scheffe test found significant difference in income between native-born entrepreneurs and a certain group of immigrants. Negative gaps show that the income of native-born entrepreneurs is lower than that of immigrants.

***Sig. < 0.000; **Sig. < 0.005; *Sig. < 0.05.

Source: own elaboration based on the data of Social Surveys conducted by the Israeli Central Bureau of Statistics in 2008, 2010, 2012.

ordinal regressions when regressors were education, age, gender, duration of business activity, engagement in a certain sector of economy, and the year of survey, which reflects the macroeconomic conditions. Estimated income of native-born entrepreneurs was 7.23 (SD=3.33), of E&A entrepreneurs was 7.70 (SD=3.68), of A&A entrepreneurs was 6.54 (SD=2.65), and of FSU entrepreneurs was 5.86 (SD=2.99).

The study found significant differences between entrepreneurs of different origins, but one cannot say that the income of immigrant entrepreneurs is generally low. Whereas the incomes of entrepreneurs from A&A and FSU are significantly lower than those of their native-born counterparts are, immigrants from E&A receive equal and in some sectors even higher income than that of Israeli-born entrepreneurs, after controlling for personal and business characteristics. Entrepreneurs from FSU, on average, receive the lowest income. Thus, the first hypothesis, that there are differences in income between native-born and immigrant entrepreneurs of a different origin, is supported.

Although the levels of income vary among the groups, the differences by sectors are less markable. All entrepreneurs engaged in the HSW and ARP sectors had similar income irrespective of their origin. In other sectors, significant differences were found only for certain groups. For example, in the ECS sector, the only difference was between FSU and Israeli-born entrepreneurs, and in the AMC sector, the only significant difference was between A&A immigrants and native entrepreneurs. It seems that the differences in business income can be explained by different engagement in economic sectors rather than by the fact of being an immigrant.

Effect of Socio-Cultural Integration on Economic Integration

One of the questions raised in this paper was how socio-cultural integration with the host society affects economic integration of immigrant entrepreneurs; and what the differences in its effect between immigrants of different origin are. Socio-cultural integration of entrepreneurs is described in terms of length of residence in the host country (YSM) and Hebrew skills. Effects of these factors on income are examined by means of ordinal regression analysis pooled across groups of immigrant entrepreneurs, when personal characteristics of entrepreneurs were controlled (Model 1 in Table 3). Gender was found to have a significant effect on income of entrepreneurs, indicating that male immigrant entrepreneurs have higher income that their female counterparts. The analysis revealed positive relationships between education and income, and a negative relationship between age and income. The absence of significant effect of the year of survey on the dependent variable supports merging data of surveys conducted in three different years. Business activity in the HSW sector is positively associated with income, and business activity in ARP is negatively associated.

The level of Hebrew proficiency positively affects income even after controlling for entrepreneurs' characteristics and origin. However, no significant relationship was found between income and YSM, or income and origin. Thus, hypothesis H2.a, that socio-cultural integration in terms of Hebrew proficiency significantly relates to economic integration of immigrant entrepreneurs, is supported. And hypothesis H2.b, that length of the living time in the host country significantly relates to economic integration, is not supported.

Table 3. Ordinal regressions for determinants of income (Dependent variable: income received from business)

Variables	Model 1: Immigrant entrepreneurs, N=576		Model 2: Immigrant entrepreneurs with interactions, N=576	
	Est.	Wald[a]	Est.	Wald[a]
Threshold [Income = 1]	-.741	1.143	1.127	1.467
Threshold [Income = 2]	-.201	.085	1.665	3.215*
Threshold [Income = 3]	.300	.191	2.163	5.428*
Threshold [Income = 4]	.912	1.769	2.775	8.907**
Threshold [Income = 5]	1.382	4.046*	3.250	12.145***
Threshold [Income = 6]	1.845	7.168**	3.718	15.786***
Threshold [Income = 7]	2.511	13.121***	4.391	21.746***
Threshold [Income = 8]	3.244	21.541***	5.129	29.238***
Threshold [Income = 9]	4.105	33.653***	5.996	39.193***
Gender (Male = "1")	1.166	33.635***	1.175	33.713***
Age	-.115	3.914*	-.110	3.528*
Education	.318	13.333***	.305	12.068**
Duration of business activity	.072	2.998	.073	3.024
Hebrew proficiency	.223	3.561*	.479	5.188*
YSM	.010	.889	.001	.000
Year of survey: (Reference category: 2012)				
2008	-.429	2.215	-.401	2.655
2010	.002	.000	.005	.001
Origin (Reference group E&A): A&A	-.318	1.734	.509	.237
FSU	-.078	.134	.833	.812
Sector of economy (Reference category AMC):				
TTSC	.090	.115	.036	.018
RBI	.553	3.957*	.508	3.289
HSW	1.266	13.427***	1.249	12.847***
ECS	.003	.000	-.010	.001
ARP	-1.038	6.932**	-1.018	6.561**
Hebrew proficiency * A&A			-.156	.346
Hebrew proficiency* FSU			-.481	3.695*
YSM * A&A			.003	.053
YSM * FSU			.034	3.142*
Pseudo R-Square	0.249		25.7	
Chi-Square	131.848***		137.048***	

[a] ***Sig. < 0.000; **Sig. < 0.005; *Sig. < 0.05.

Source: Elaboration based on the data of Social Surveys conducted by the Israeli Central Bureau of Statistics in 2008, 2010, 2012.

The next question was whether effects of socio-cultural integration in terms of length of residence in the host country and Hebrew proficiency are different among immigrants of different origin. In order to examine this, the interactions between group variables and variables describing socio-cultural integration were added (interaction regression Model 2 in Table 3). In Model 2, the effects of gender, age, education, Hebrew proficiency, and sector of economy remain statistically significant. There were no signifi-

cant effects of interactions with A&A origin, but interactions with FSU origin were significant. This means that the effects of Hebrew proficiency and YSM on business income are rather similar for immigrants from A&A and E&A, but significantly different for FSU immigrants. Among FSU immigrants, the effect of YSM on income is positive and significantly higher than that for immigrants of other origin. For immigrants from A&A and E&A, effects of Hebrew proficiency are positive and significant. However, for immigrants from FSU, the effect of Hebrew proficiency is significantly lower and almost equal to zero. Thus, Hebrew proficiency does not affect business income of FSU immigrant entrepreneurs. Thus, hypothesis H3 that the effects of socio-cultural integration in terms of Hebrew proficiency(H3.a) and YSM (H3.b) will be different for immigrants of different origin is supported only for FSU immigrants. Effects for immigrant entrepreneurs from E&A and A&A are rather similar.

CONCLUSIONS

This study investigated economic integration of immigrant entrepreneurs in terms of their incomes, testing whether socio-cultural integration relates to economic integration of immigrant entrepreneurs. The study found that being an immigrant does not mean automatically receiving lower income. Certain groups of immigrant entrepreneurs (immigrants from E&A) receive income that is even higher than that of native-born entrepreneurs, while immigrants of other origins receive similar or lower income. Economic integration means that the immigrant entrepreneurs' income would not be lower than that of native-born entrepreneurs when other observable individual, business, and macroeconomic factors are equal. E&A immigrants demonstrate the highest economic integration. The economic integration of A&A immigrant entrepreneurs is relatively low since their income is lower than that of native-born entrepreneurs, and FSU immigrants are the least economically integrated group of entrepreneurs.

According to the developed typology of entrepreneurs' integration, the combination of socio-cultural and economic integration describes the strategy adopted by immigrants. Since the economic integration of E&A immigrant entrepreneurs is high, and their socio-cultural integration (in terms of language proficiency and YSM) is also high, they adopt an integration strategy. A&A immigrant entrepreneurs are characterized by low economic integration and high socio-cultural integration (high Hebrew abilities, as well as long exposure to the host country); thus, they assume a separation strategy. Since FSU immigrant entrepreneurs demonstrate low levels of both socio-cultural and economic integration, it can be concluded that they adopt marginalization strategy. This finding is consistent with previous studies on FSU immigrants in Israel, which stressed that FSU immigrants are inclined to maintain and even cherish the culture and identity of their origin (Horowitz, 2005; Kushnirovich 2007, 2010; Remennick, 2004). The important conclusion of this study is that socio-cultural integration is not necessarily associated with economic integration. Immigrants can be integrated socio-culturally yet still earn less than their native-born counterparts do. It seems that the choice of a strategy of integration depends on the origin of the immigrants. Further studies are needed in this field.

The second conclusion is that immigrants' socio-cultural integration works in a different way within immigrant groups. For FSU immigrant entrepreneurs, Hebrew proficiency contributes significantly less, and length of living in the host country contributes

significantly more to income than for the other groups of immigrants. This can be explained by the theory of co-ethnic dealing, according to which immigrant entrepreneurs tend to engage in co-ethnic business activity. Entrepreneurs acting within ethnic niches do not have to be very proficient with the host country language. Moreover, dealing within co-ethnic communities and utilizing co-ethnic networks can contribute to the entrepreneurs' income, giving them some advantages in the market of the host society. As was mentioned in the literature review chapter, previous studies found that immigrants from the FSU are likely to set up ethnic businesses, which explains why Hebrew proficiency does not increase their income (Lerner & Khavul, 2003; Heilbrunn & Kushnirovich, 2008). Since the surveys data did not include information about co-ethnic dealing, future studies should examine the relationship between co-ethnic dealing and economic integration.

Differences in the effect of length of residence in the host country can be explained by the accumulated effect of living in the host country. The first years after immigration are very important for the immigrant's integration and significantly contribute to his/her familiarity with the market and business environment of the host country. The marginal effect of these first years on income can be critical. However, with the years, when the immigrant is already familiar with the business "game rules" in the host country, the marginal effect of years should gradually decrease and come to naught. Since FSU immigrants came later and their duration of living in Israel is shorter, the marginal effect of years since migration for this population should be larger.

The interesting finding is that different determinants have similar impact on the income of immigrant entrepreneurs from E&A and immigrants from A&A. This is in spite of the fact that immigrant entrepreneurs from E&A are the most educated, and immigrants from Asia & Africa are the lowest educated. The study found only minor differences in income between entrepreneurs from E&A and immigrants from A&A, when according to the national Israeli statistics these differences do exist for salaried workers: the income of salaried workers from A&A is significantly lower than that of workers from E&A. This means that entrepreneurship can be a viable solution to decrease income inequality, especially for low-skilled immigrants.

This study provides some policy implications. Understanding integration of immigrant entrepreneurs and the factors affecting their income will help policy-makers facilitate their economic advancement. The question how entrepreneurs' socio-cultural integration affects their economic integration is of the greatest practical importance. A few decades ago, the concept of assimilation (the so-called 'melting pot') prevailed in the policy of most host countries. However, with the rise of cultural pluralism and acceptance of multiculturalism, the concept of integration became more widespread. This study revealed that socio-cultural integration is not necessarily accompanied by economic integration and vice versa. The findings support an integrationist orientation of immigrant policy.

This study has some limitations. The first concern is that it examined only on-going ventures and did not regard failed ones. Another concern of the study is that the sample size is quite small for certain groups. Since the study is based on the data of surveys conducted by the Central Statistics Bureau, which did not include questions about co-ethnic business networks, there was no opportunity to assess the level of co-ethnic business

dealing. The last limitation is a possible two-way relationship between socio-cultural and economic integration. Speaking Hebrew well helps to achieve a better income, but receiving a higher income allows immigrants to socialize more outside their ethnic enclave. These limitations must remain a consideration when generalizing this study's findings.

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Author

Nonna Kushnirovich

Ph.D. in Economics. Nonna is a Senior Lecturer at the Department of Economics and Management and a Head of the Economic Studies for Non-Economists at the School of Economics and Business Administration, Ruppin Academic Center (Israel). She is also a Researcher at the Institute of Immigration and Social Integration (Israel). In 2010 Nonna was included in the list of 100 Outstanding Immigrant Scientists in Israel. Nonna Kushnirovich is an Editor in Chief of the Yearbook on Immigration in Israel. Her current research interests include economic aspects of immigration, immigrant entrepreneurship and labor migration.

Correspondence to:
Nonna Kushnirovich
Department of Economics and Management
Institute for Immigration and Social Integration
Ruppin Academic Center
Emek Hefer 40250 Israel
nonna@ruppin.ac.il

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Immigrant Capital and Entrepreneurial Opportunities

Malavika Sundararajan, Binod Sundararajan

ABSTRACT

Objective: The main objective of this study is to define and operationalize the concept of immigrant capital, a key factor that differentiates immigrant from host country entrepreneurs in how they recognize and start new ventures.

Research Design & Methods: Using grounded theory, we synthesized the outcomes from the analysis of eight Canadian and U.S. case studies of successful immigrant entrepreneurs with the key findings from the literature to define and develop a model of immigrant capital.

Findings: Based on our grounded theory development process we show that the concept of immigrant capital as a distillate of human, cultural, economic and social capital that goes beyond expected opportunity recognition (OR) drivers like prior knowledge and prior experience to differentiate and enhance the immigrant entrepreneur's ability to recognize business opportunities compared to host country entrepreneurs.

Implications & Recommendations: Understanding a unique resource like immigrant capital, will help immigrant as well as host country entrepreneurs further develop their opportunity recognition ability by bridging gaps and fulfilling the needs for both, immigrant and host country consumers.

Contribution & Value Added: The main contribution is the theoretical development, identification and definition of the immigrant capital model and propositions that will articulate the factors that lead to the conceptualization and operationalization of immigrant capital.

Article type:	conceptual paper
Keywords:	immigrant entrepreneurs; immigrant capital; opportunity recognition; boundary spanners
JEL codes:	F22, J15, L26

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INTRODUCTION

Numerous theories have been used to explain the relationship between immigration and entrepreneurship. According to the Kauffman foundation's review of the state of this field, the immigrant entrepreneurial activity theories range from intrinsic capabilities of immigrants (human capital), access to social capital, transnational resources, knowledge networks and ready role models as well as host and home country characteristics that lead immigrants to start small businesses. A lack of synthesized and integrated models has, however, led to fragmented understanding of the true drivers of immigrant entrepreneurship, thus making it difficult to repeat the success of immigrants' entrepreneurial activities among host country entrepreneurs. Immigrant entrepreneurship nevertheless continues to be a critical area of study due to the increasing and sustained trends in entrepreneurial activity among immigrants in the United States and Canada as well as other developed nations. For instance, in the United States according to most recent SBA (Small Business Administration) reports (Contreras-Sweet, 2015, p. 1), "*immigrant entrepreneurs are twice as likely to start a business as native-born citizens and more importantly, immigrants are actually creating jobs in neighbourhoods where they're needed the most."* Further, according to the Fiscal Policy Institute as reported by the current administration, immigrant owned small businesses, with an annual generation of $776 billion in revenues, employed nearly 4.7 million people in 2007, showing the immense contribution of this sector (Furman & Gray, 2012). Similarly, in Canada, the first generation total entrepreneurial activity is higher than that of the general population (Langford, Josty & Holbrook, 2013). Interestingly in Canada, there is a large push in opportunity driven entrepreneurship among immigrants compared to natives (Ibid), which shows that most of immigrants are not turning to entrepreneurship out of necessity but rather out of interest and possibly a greater propensity for being able to recognize business opportunities in comparison to their counterparts in the host country. These sustained immigrant entrepreneurship trends lead us to seek a more robust and comprehensive model that can help us understand why more immigrant and not host country entrepreneurs recognize a higher number of business opportunities.

Entrepreneurship itself, is seen as an activity that involves the discovery, creation and exploitation of opportunities (Shane & Venkatraman, 2000) wherein a key aspect of being able to perceive entrepreneurial opportunities lies in *the access to new information* (Arenius & De Clercq, 2005) as well as the individual's ability to recognize patterns, given that new information (Baron, 2004). Over the past decade, research has found that immigrants and host country entrepreneurs clearly differ in their *perceptions of opportunities,* as a consequence of which, foreign born individuals are more likely to start companies than their native born counterparts (Fairlie, 2008, Light & Rosenstein, 1998). This difference in perception and "how" it leads immigrants, compared to natives, to recognize entrepreneurial opportunities and start new ventures forms the crux of our paper. Hence the main objective of our paper is to introduce and operationalize what we term as *immigrant capital*, which we propose is the key differentiating factor between immigrant and host country entrepreneurs' ability to recognize business opportunities. As we proceed further, founded on the concept of grounded theory, we simultaneously build our theory following the collection and detailed coding of eight U.S. and Canadian

immigrant entrepreneur case studies, synthesize that information with our literature on immigrant and host country entrepreneurship as well as opportunity recognition drivers, build our theoretical model of immigrant capital and put forth propositions that can be used to test the model in subsequent empirical studies. We summarize our propositions in the discussion section and conclude with implications of the model, limitations of our paper and future research in this area.

MATERIAL AND METHODS

Opportunity recognition (OR) refers to the active, cognitive processes through which individuals conclude, that they have identified the potential to create something new, that has the potential to generate economic value and is viewed as desirable in the society in which it occurs (Baron, 2004). The most consistent cognitive aspects outlined in the OR literature are prior knowledge and prior experience (Shane, 2000; Shepherd & DeTtienne, 2005) and psychological factors like motivation, creativity and intention (goals) (Hostager, et al., 1998; Hills, Shrader & Lumpkin, 1999; Bird, 1992; Krueger, 1993). The empirical studies show that it is either the possession of the above individual characteristics or the access to acquiring them that lead to opportunity recognition. Thus the ability to recognize opportunities has been approached by either directly assessing the entrepreneur's human capital or by resources that support its development, namely, economic, cultural and social capital, as seen from the emphasis on integrated models (Bates, 1997; Pécoud, 2000; Sequeira & Rasheed, 2006). More recent studies in opportunity recognition vacillate between emphasis on cognitive and emotional mechanisms (Tumasjan & Braun, 2012; Foo, 2011; Mitchell & Shepherd 2010; Vaghely & Julien, 2010; Cardon et al., 2009; Foo, Uy & Baron, 2009; Baron, 2008; Baron & Ensley 2006; Cardon et al., 2005) and the access to information through social networks (Kontinen & Ojala, 2011; Bhagavatula et al., 2010; Ramos-Rodriguez et al., 2010; Ozgen & Baron, 2007; Puhakka, 2006; Jack & Anderson, 2002). However, specific to the context of immigrant and host country entrepreneurs, research has indicated that while the motives, attitudes, behaviors and choice of industry vary greatly between different immigrant groups (Masurel et al., 2012; Basu, 1998) and can rarely offer a predictive model of opportunity recognition by themselves, the interaction between these immigrant group characteristics and the opportunity structures in the host country often contribute to increased entrepreneurial activity among immigrants (Waldinger, Aldrich & Ward, 1990). Subsequent studies (Pécoud, 2000; Marger, 2001) also indicated that it was the immigrants' social, cultural, economic and human capital that led to their access to markets and finance which helped them start companies (Sequeira & Rasheed, 2006). On the one hand, while human capital (also supported by cultural capital) was good for entry into nascent entrepreneurship and strong social capital helped the immigrants carry the business forward, in the end, it was the *act of bridging social ties* that proved to be more important than bonding for business (Davidsson & Honig, 2003). In the above context, bonding occurs between the nodes within a social network whereas bridging occurs between two social networks. In order to build grounded theory, before synthesizing additional concepts from past literature, we first seek to draw codified data from our initial set of case studies from both the U.S. and Canada to help us build our theoretical model. Following which, we will draw out the patterns of activities that have led immi-

grants to recognize opportunities and start businesses. Founded on these extracted patterns, we develop and propose the immigrant capital model that shows how immigrants are able to recognize a greater number of opportunities compared to host country natives.

Drawing on Codified Data- Data Collection and Analysis of Case Studies of Immigrant Entrepreneurs

Our research design is based on Glaser and Strauss's (1967) concept of grounded theory, which is a general methodology of analysis linked with data collection that uses a systematically applied set of methods to generate an inductive theory about a substantive theory. Glaser (1992) emphasized the necessity for the researcher to be more creative rather than procedural alone in his or her methodological approach. Hence, founded on the understanding that data collection, analysis and resultant theory generation have reciprocal relationships, as a first step in this process, our paper represents the initial stages in the grounded theory approach to theory development in immigrant capital. In order to facilitate the development of the model, as a pilot study we carried out a series of case study analyses. Eight cases from archived data, were analysed and tabulated to see if there were patterns of unique immigrant characteristics that could contribute to the model of immigrant capital.

We utilized secondary data of select cases from both Canada and the US. Based on the importance placed by the US and Canadian governments' emphasis on immigrants being the driving force of job creation in their economies, for our initial round of data collection, we used a convenience sample from both government websites of immigrant entrepreneurs, who were identified and promoted by their respective governments as success stories. The immigrant entrepreneurs in Canada were winners of the top 25 immigrant awards in the year 2013. The US immigrant entrepreneurs were the success stories of immigrant entrepreneurs followed by the Massachusetts State. We selected four cases from each country.

Methodology

We categorized each case's content into human, cultural, economic and social capital available to the respective immigrant. We also added two measures to capture the number of cross-country networks the immigrant entrepreneurs were boundary spanners of, and the type of nodes they seemed to have access to, which would have enabled them to recognize the opportunity and start their companies.

Synthesis of Findings with literature to develop theory and model of Immigrant Capital

Based on our analysis, we identified as shown in the tables *(please refer A3 tables 1 and 2),* two distinct patterns. One that the number of networks they were part of was by default two or more. Second, the nodes or dots they identified and connected with, which led to the recognition of their business opportunity and establishment of their company, were from multiple cross-country networks, both in the US and Canada. These patterns are only preliminary in their assessment but allow us to build the theory further as we revisit the literature in this area.

Table 1. United States Case Studies of Immigrant Entrepreneurs as boundary spanners

Host Country	**USA**			
Company Name	Swissbakers	Ultra Beauty Salon	Boston Bio-medical	Zumi's Espresso and Ice Cream
Company Product	Bakery items	Beauty Services	Biomedical research	Food Services
Country of Origin	Switzerland	Dominican Republic	China	Nepal
Human Capital	Knowledge of baking, Passion, Diligence, English Language	Family Values, acquired Cosmetology knowledge, Creative	Medical Higher Education Knowledge of English Occupation	Unrelated prior knowledge (outdoor sports)
Cultural Capital	Language, Family values, More accepted with European accent	Hard work, family business	Experience of a poor country and grew up in a cultural revolution	Grew in a mountain village with farmers in country of origin
Economic Capital	Personal funds	Personal funds	n/a	n/a
Social Capital	n/a			
Number of Cross-cultural networks as boundary spanners	Multiple in Europe and US cultures	In Dominican, Hispanic and US cultures	China, Japan, USA	Nepal, UK, USA
Types of Nodes (Dots) Connected	Difference in ways of eating in the two cultures, brought European lifestyle to USA, thus saw an opportunity to serve American Community	Understood the need of Hispanic community to have a Hispanic hairdresser, In US it was either Caucasian or African American salons. Only two salons in Boston, so saw an opportunity to serve ethnic community	Saw need for extensive Cancer Research and capitalized entrepreneurial ambition to be a scientist in America due to its host country characteristics allowing the pursuit of such endeavors	For Coffee Shop, knew farmers from Nepal, saw it was not fresh always in the US so purchased directly from farmers in Nepal. Felt US was a great place to provide awareness for human rights so practiced as US supported it

Source: http://www.ilctr.org/promoting-immigrants/immigrant-entrepreneurship/video-interviews/

Table 2. Canadian Case Studies of Immigrant Entrepreneurs as boundary spanners

Host Country	**CANADA**			
Company Name	Foundry Communications	Manga Hotels	Active Vision Charity Association	WE-ELITE
Company Product	Design Communications	Hotel	Social Educational and youth support	Business Mentoring and Support for Women
Country of Origin	Yemen	India	Guyana	India
Human Capital	Speaks five languages, Obtained higher education in host country	Engineering background, high socio-economic status	Has higher education and business skills and social service degree	Has higher education from country of origin with business experience
Cultural Capital	Experience of civil Wars, poverty	Hard work, family values, need to survive, hands on management	Poorer countries, support systems, cultural heritage	High socio-economic status experience in developing country, hard work, family values
Economic Capital	n/a	Personal, family	n/a	Personal, family
Social Capital	None			
Number of Cross-cultural networks as boundary spanners	3, Yemen, Middle-East, Canada	2 -India, Canada	3-Guyana, Caribbean Communities, Canada	2-India, Canada
Types of Nodes (Dots) Connected	Followed Education based business but in business uses skills- where she instinctively knows when a concept has the potential to transcend popular culture and evoke a genuine human response	Unrelated to education, but found family who owned motel in ethnic community, saw small size of hotel industry in Canada and thus began purchasing property and building the hotel business	Saw need to mentor and support immigrants in Canada and to give back books to Guyanese children and start youth support programs in Guyana	Utilized past business experience to start to support women immigrants in host country. Organizers country of origin based cultural programs in host country

Source: http://canadianimmigrant.ca/canadas-top-25-immigrants/canadas-top-25-immigrants-2013

LITERATURE REVIEW AND THEORY DEVELOPMENT

An important observation from our case analyses is the presence of a process of association of information from multiple sources given their vantage point across different networks. This observation is substantiated by research in the opportunity recognition literature (Vaghely & Julien, 2010; Baron & Ensley, 2006). They show that linking patterns of information from various sources forms the basis of innovation and new business opportunities. We also see a definitive emphasis, by opportunity recognition researchers, on the need to concentrate on the *process of how opportunity recognition takes place* rather than just the characteristics of the individual (Davidsson & Honig, 2003; Ardichvili, Cardozo & Ray, 2003). The process itself is shown to entail scanning and search, association and connection and finally the evaluation and judgment (Tang, Kacmar & Busenitz, 2012). Hence, investigating these concepts further, we find that entrepreneurship involves the nexus of opportunities and enterprising individuals (Shane & Venkataraman, 2000) but at the same time, the process of opportunity recognition is a function of genetic and environmental factors (Nicolaou & Shane, 2009). Further, immigrant entrepreneurship literature shows that interaction between opportunity structures and immigrant group characteristics as well as their ethnic strategies is complex but relevant because the changing opportunity structures present different market conditions (Waldinger, Aldrich & Ward, 1990) which will impact the business opportunity recognition process. The greatest weight although, has been given to the immigrant's social capital and how they are able to access new information (Zhou, 2004; Jack & Anderson, 2002; Ndoen et al., 2000).

Thus not surprisingly, to understand the immigrant entrepreneur's trends, researchers have observed that it could be a combination of social, cultural, economic and human capital (Bates, 1997; Pécoud, 2000; Sequeira & Rasheed, 2006) that helps immigrant entrepreneurs recognize opportunities and successfully start new ventures. This alone, however, cannot help explain the immigrant entrepreneur's ability to start more businesses than host country entrepreneurs because, host country entrepreneurs are equally aware of their own countrymen's cultural needs and requirements, have substantial social, human, cultural and economic capital and yet, immigrants are seen to be twice as likely to start new businesses as natives (Contreras-Sweet, 2015). Thus even though the debate about what leads immigrants to recognize more entrepreneurial opportunities than natives remains ongoing (Light, 2014), it has become critical to develop a more complete theory of immigrant entrepreneurship through the integration of the four kinds of capital namely, social, cultural, human and economic (Sequeira & Rasheed, 2006) to be able to learn from and replicate the sustained success of immigrant entrepreneurial activity. The support to derive an integrated model can also be seen in the opportunity recognition literature, which states, not only are entrepreneurial opportunities recognized from individual's differential access to information (Kirzner, 1973) but entrepreneur's must be able to recognize the value of any new information to which they are exposed (Shane, 2000). This also means that the ability to recognize patterns and connect the dots becomes a critical distinguishing factor between entrepreneurs and non-entrepreneurs (Baron & Ensley, 2006). Proceeding further, we explore each of the

factors identified to be critical for opportunity recognition and immigrant entrepreneurs to aid the development of the concept of immigrant capital.

Human Capital, Opportunity Recognition and Immigrant Entrepreneurship

When developing an opportunity recognition model based on human capital (in this paper, we conceptualize this as all individual characteristics that contribute to their skills, knowledge and abilities) we note that the strongest empirical evidence has been for prior knowledge and experience in relation to individual cognitive processes (Shane 2000; Simon, Houghton & Aquino 2000; Shepherd & Detienne, 2005; Baron & Ensley, 2006). Prior knowledge of a particular market helps entrepreneurs recognize opportunities more easily (Shane, 2000). Specific to the case of immigrant entrepreneurs, research shows that higher educational attainment in their country of origin, prior to immigrating, and that acquired in the host country, contribute to greater entrepreneurial activity among immigrants (Arenius & De Clercq, 2004; Razin & Scheinberg, 2001; Froschanuer, 2001; Bates, 1994; Becker, 1964). Additionally, prior experience in the form of being self-employed in their country of origin has also been shown to increase the likelihood of immigrants being self-employed in host countries (Akee, Jaeger, & Tatsiramos, 2007). Prior experience in an occupation also led to developing businesses in the same field (Cooper & Dunkerberg, 1986). We summarize, with respect to human capital, that immigrant entrepreneurs are able to recognize opportunities better than others using cognitive schemas or learning, obtained from prior experience (from prior self-employment) and knowledge (from higher educational attainment). Since, natives can also have all of the above characteristics, the question still remains, “why are immigrants more likely to start new businesses than natives”. What other factors could be at play here?

Cultural Capital, Opportunity Recognition and Immigrant Entrepreneurship

With reference to cultural capital, compared to natives, first generation immigrants remain embedded in their original country’s culture despite the influence of the host country’s cultural environment (Hofstede et al., 2004), hence making it equally important to view entrepreneurship as a function of cultural perception of opportunities (Dana, 1996). Early research in this topic showed that the entrepreneurial propensity is based on national origin, national culture and religious notions (Aldrich, 1990), which we refer to as their cultural capital in this paper. The immigrant’s cultural knowledge in the use of their mother-tongue in marketing their business is also viewed as an additional advantage (Barett, Jones & McEvoy, 2003). Another important differentiating cultural factor is that, immigrants from countries with low power distance are more likely to become entrepreneurs (Vinogradov & Kolvereid, 2007). On the other hand, in certain countries like Algeria, family is viewed to be detrimental in the development of entrepreneurial intention of women entrepreneurs (Benhabib et al., 2014). As already noted above, immigrants from countries with a greater number of self-employed people are more likely to be self-employed in host countries, (Akee, Jaeger, & Tatsiramos, 2007). However, when we summarize the findings, we understand that it is not about different cultures, but the different ways of mobilizing and using resources in different cultures and the different

ways of linking culture to action that adds value to an immigrant entrepreneur's cultural capital (Swidler, 2001).

Economic Capital, Opportunity Recognition and Immigrant Entrepreneurship

Economic capital or access to financial resources will undoubtedly play a deciding role in whether or not, an immigrant is able to start a new venture in the host country (Marger, 2001; Stark & Wang, 2002, SBA Report, 2012). Research has, likewise, shown that in addition to educational attainment, large investments do indeed play a role in the success of immigrant entrepreneurs (Bates, 1994). In fact, when immigrants come from higher economic classes, their better access to financial access (through their strong family ties and trust networks)increases their likelihood of entrepreneurial activity and success (Zhou, 2004). Those with high socio-economic status with access to greater human, social and investment capital as well as business support, have greater success as entrepreneurs (Anderson & Miller, 2003). While, this is impressive, it is once again not unique to immigrants, and therefore still fails to address the key differentiating factor in entrepreneurial activity.

Social Capital, Opportunity Recognition and Immigrant Entrepreneurship

A strongly emphasized area with respect to the ability of immigrants to recognize opportunities is their social capital. Research shows that immigrants and natives, differ in their perceptions of opportunities because of difference between the networks they are embedded in and nature of one's residential area (Arenius & De Clercq, 2004). An immigrant's social capital has been studied as the various ties or relations they have in their host and home countries (Zhou, 2004; Jack & Anderson, 2002). When immigrants forge and sustain multi-stranded relations that link together their societies of origin and settlement, the resultant social capital (network) is defined as transnationalism (Basch, Schiller & Blanc, 1994). When the immigrants' group membership is tied to a common cultural heritage, intrinsically intertwined in particular social structures in which individual behavior, social relations and economic transitions are constrained, it is referred to as ethnic enclaves (Zhou, 2004). Enclave entrepreneurs include those who are bounded by co-ethnicity, co-ethnic social structures and location. Even though early studies about the effects of social capital on immigrant populations were around the job search and ethnic segmentation in labor markets (Sanders, Nee & Sernau, 2002) or even the establishment of trust and cooperation (Portes & Sensenbrenner, 1993), studies about transnational ties and ethnic enclaves offer support for what is often highlighted in social capital literature as the key purpose of networks in entrepreneurial activities, i.e. access to other resources (Aldrich & Zimmer, 1996). For instance, access to unknown and new opportunities through structural holes (Burt, 2009) or networks that create new knowledge and help with exchange of knowledge (Nahapiet and Ghoshal, 1998) or networks which are a source of new ideas (Christenson & Peterson, 1990) and new opportunities (Singh et al., 1999) with access to knowledge the immigrant entrepreneur does not currently possess. A search for patterns with respect to the distinct advantage that an immigrant entrepreneur has over his/her counterpart showed that, whatever their ethnicity, all immigrants' association networks tend to mix socializing with support for

professional and technical advancement. The willingness to mentor new incumbents, share knowledge and experience, to provide contacts for new businesses all act as a definite advantage for the new immigrant entrepreneur, hence, enabling continuous knowledge flow among community members, mentor-apprentice relationships in the networks; and access to contacts through trusted networks (Saxenian, 2002).

However, opportunity recognition literature has shown that having access to information alone does not lead to opportunity recognition, rather that opportunities are identified *only* when people formulate a new means-ends framework in response to that new information utilizing associated thinking and more diverse knowledge and information (Dyer, Gregersen & Christensen, 2008).

To understand how immigrants formulate this new means-ends framework, we build upon the research findings of social capital and integrate it with the concepts put forth by immigrant entrepreneurship researchers with respect to opportunity structures (Waldinger, Aldrich & Ward, 1990); the co-ethnic structures of ethnic enclaves (Zhou, 2004) and value of being embedded in local social structures (Jack & Anderson, 2002).

It must be noted that studies related to transmigrants, i.e., immigrants who make decisions, take actions, and develop identities in social networks that connect them to two or more societies simultaneously (Schiller, Basch & Blanc-Szanton, 1992), address a similar concept of access to different types of capital and its value to the *immigrant's country of origin*. Our paper, however, is very different in its aim, as it identifies the *unique capability* of immigrant entrepreneurs both within and outside the host country and how this capability differentiates them from the natives, who have access to similar sources of capital. As we proceed to develop the model, we will funnel in on the uniqueness of the capital possessed by immigrants when compared to their host country counterparts and then propose the model and its propositions.

Development of the Concept, Definition and Operationalization of Immigrant Capital

Recent studies have begun identifying that it may indeed be the immigrant entrepreneur's *outsider status* that allows them to recognize, "out of the box" opportunities that natives with similar knowledge and skills cannot perceive (Hart, Acs & Tracy, 2009). The immigrant's capabilities may be linked to unique entrepreneurial resources, like access to partners, customers and suppliers in their countries of origin.

Initial studies (Pécoud, 2000; Marger, 2001) indicated that it was the immigrants' social, cultural, economic and human capital that led to their access to markets and finance which helped them start companies (Sequeira & Rasheed, 2006). Yet the model fails to account for the fact that natives also possess similar capital resources (Figure 1).

Thus, in creating an integrated theory of immigrant entrepreneurship, we must consider immigrant capital as not just moderating the relationships, but being a ***prime mover*** that leads to immigrant entrepreneurial opportunity recognition and venture creation processes.

Even though individuals access to external knowledge through social networks in which they participate is shown to be fundamental for developing the capacity to recognize new business opportunities (Ramos-Rodriguez et al., 2010), the quality of the network contacts is equally important (Hills, 1995). In social networks while we hope the individual's contacts (nodes) will do the work of being in different places at the same

time and providing access to that information and resource to the immigrant (Bhagavatula et al., 2010), it is imperative to acknowledge that different people perceive different values of the same information thus leading to differences in identifying opportunities (Shane, 2000). So in this case, although the individual has access to multiple contacts and their information, it would not be able replace the individual's direct presence in multiple networks. This is in alignment with another key point that we observed in our cases, which was, the immigrant entrepreneurs' position as boundary spanners in multiple cross-country social networks and "their" perception of novel business opportunities which they perceived through associated thinking**.**

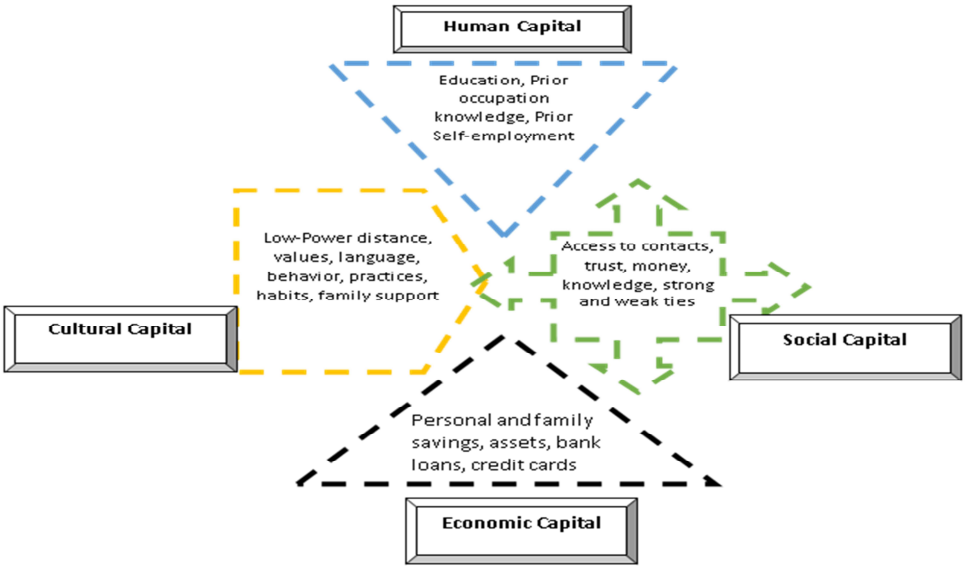

Figure 1. Four forms of capital available to Immigrant and native entrepreneurs
Source: own elaboration.

The Immigrant Capital Model

Thus, immigrant entrepreneurs in addition to all four types of capital, possess a *unique perspective* to view the cross-country needs within and outside their ethnic enclaves. They obtain this uniqueness due to two reasons. The first, is their position as boundary spanners in multiple networks. Boundary spanners, by virtue of their position in and across networks, have the ability to not only connect an organization or group to the external environment, but also have the ability to influence the decisions, processes and information flowing between the internal and external networks. They thus become the harbingers of potential risks and opportunities existing across diverse networks. Friedman and Podolny (1992) explain that past research indicates, how boundary spanners are important for conducting exchange between groups for international diplomacy and for communication between ethnic groups.

However, the manner in which this occurs is in essence a distillate of the immigrant's human, cultural, social and economic capital, which is the second and most important reason for an immigrant entrepreneur's uniqueness. As illustrated in the figure 2, we

realize the unique differentiating factor between immigrants and natives, is not only their position as boundary spanners in multiple, diverse cross-country networks, but the access they have to a greater number of nodes (with new knowledge, skills, money, experience, contacts and support) that increase the probability of immigrants to connect a greater number of dots (nodes) enabling them to recognize more entrepreneurial (business) opportunities, compared to natives.

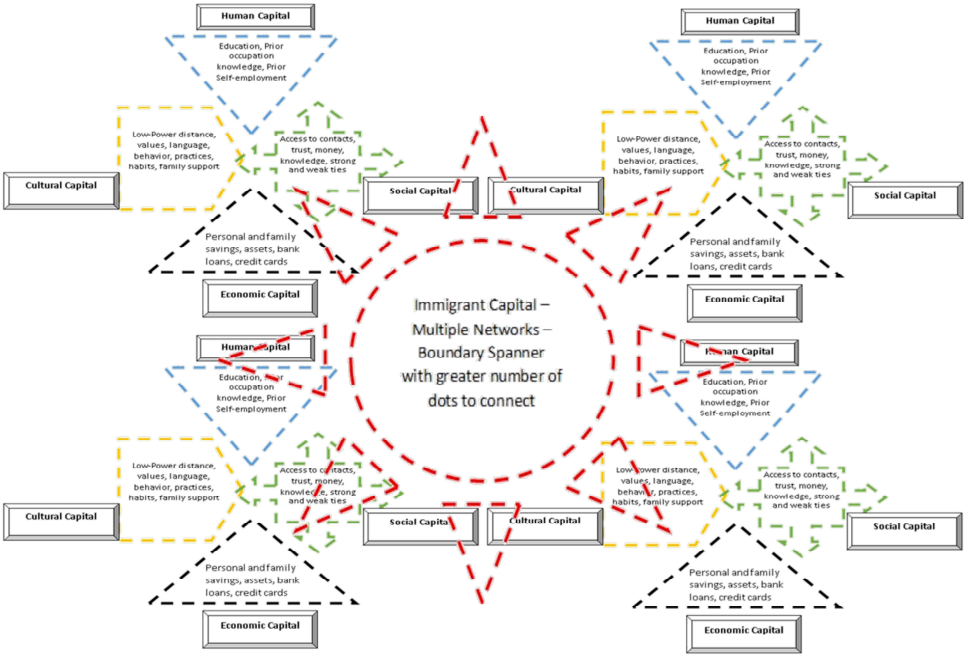

Figure 2. Formation of Immigrant Capital by being boundary spanners in multiple networks with access to greater number of nodes or dots that they can connect, thus leading to greater ability to recognize opportunities
Source: own elaboration.

Being embedded in the social structure creates opportunities and improves performance because embedding enables the entrepreneurs to use the specifics of the environment. Still, the opportunity creation is in turn also influenced by the immigrant's role in the social network when they become part of the local structure (Jack & Anderson, 2002). So when an individual has multi-positional multi-network embeddedness, they are able to draw upon and use resources that help create opportunities which can fit the specific needs of each of those networks (i.e. for the local situation, the ethnic enclaves and a niche market) hence giving rise to a higher number of potential business opportunities compared to natives who would be embedded only in their local social structures.

As explained by Jack and Anderson (2002) the process of opportunity recognition is thus much more than just developing social networks. Studies explain, that new information is often shared only by personal relations in certain countries' social networks (Puhakka, 2006). Further, entrepreneurs who recognize opportunities seem to organize prior knowledge and information in a way that is easily accessible to them, and therefore

have confidence in using weak and strong ties to see opportunities in environment (Riquelme, 2013).

Based on Jack and Anderson's (2002) model we suggest, that by being boundary spanners embedded in multiple countries' social structures, it makes it easier for the immigrant entrepreneurs to understand what is required and available in the various markets. Once the immigrant entrepreneurs understand the nature of the structure,it allows them to enact or re-enact this structure which forges new ties and maintain both the links and structure across different social structures, thus extracting and producing value from and to the local, ethnic and cross-country structures.

Hence, we call this pattern 'immigrant capital' and posit that it is culled from all four forms of capital. This dual or multiple sided perspective, provides the immigrant entrepreneur the distinct advantage of having a cross-country cognitive schema. They begin connecting the dots, wherein the dots are represented by independent nodes of information available in their network environments, by understanding the needs of the ethnic and host communities as well as the gaps in the market which failed to serve one or both communities. With ethnic communities it is products from their country of origin, products in the local market with an added cultural value and services that support new immigrants. For host country communities it may be offering products that can be exciting due to the novelty of the product or services' cross-country element or the lowered price due to its outsourced/imported nature, or even a product or service based on one's high educational knowledge, otherwise lacking in the host country, native born individuals.

What we observe is, that to succeed in their venture, the immigrant will actively seek the participation of boundary spanners in the community, or themselves become the boundary spanners, so as to obtain access between adjoining cross-country enclaves as well as the broader host society and therefore be more attuned to cross-country opportunities. We thus define immigrant capital as follows:

Immigrant capitalist *the ability of an immigrant to actively seek and embed themselves in boundary spanner positions in cross-country networks in such a manner so as to facilitate the development of cross-country cognitive schemas that provides access to a greater number of network nodes, which provide access to diverse information that can be connected, enabling immigrant entrepreneurs to recognize opportunities better than the natives.*

We operationalize immigrant capital in terms of measuring it by the number of different country networks the immigrant is a boundary spanner of and the number of nodes (dots) in the form (type) of knowledge, access to new information, self-employment experience, money and contacts available to them in those networks. Based on the above model, we thus put forth the following three propositions to differentiate immigrant entrepreneur's opportunity recognition ability from that of host country entrepreneurs.

Proposition 1*: Immigrants, who have access to social, cultural, human and economic capital and who actively seek boundary spanner positions in cross-cultural networks, will be able to better demonstrate (than the other immigrants) the phenomenon of immigrant capital, as they seek to recognize opportunities and start entrepreneurial ventures.*

Proposition 2: *Immigrants with greater immigrant capital in the form of being boundary spanners in two or more cross-country embedded social networks, with access to a greater number of dots, will recognize a higher number of entrepreneurial opportunities than host country entrepreneurs.*

Based on our grounded theory approach, the reemphasis on concentrating on the process, shows that the integration of human capital and social network concepts supported by access to cultural and economic resources leads to an enhanced ability in immigrants to recognize opportunities and create ventures. First from the human capital side, studies show that opportunity images of experienced entrepreneurs focus on profitability, feasibility and awareness of their respective environments (Baron & Ensley, 2006). But, those with a self-image of vulnerability where they have a higher fear of failure may be less likely to differentiate between environments that can and cannot benefit their venture compared to those that have a self-image of enhanced capability (Mitchell & Shepherd, 2010). So, from a human capital perspective it is helpful to have greater entrepreneurial self-efficacy and an ability to connect the dots. From a social capital perspective, we acknowledge studies have shown that entrepreneurs with higher generalized trust and the breadth of formal organizational memberships are more likely to perceive entrepreneurial opportunities (Kwon & Arenius, 2010) or that strong ties lubricate the economic transactions of a venture and increase its chances of success in performance (Bhagavatula et al., 2010). Similarly, as explained previously, both cultural (Dana, 1996) and financial support (Marger, 2001; Stark & Wang, 2002; SBA Report, 2012) play a significant role in going beyond the point of recognizing opportunities and supporting the creation of new ventures. We thus propose that:

Proposition 3: *Immigrant entrepreneurs with greater immigrant capital in the form of being boundary spanners in two or more cross-country embedded social networks, with access to economic, human and social capital will be more successful in starting their new ventures than host country entrepreneurs.*

As part of the continuing process of building our theoretical model, to test these propositions, in the future, we plan to collect three different forms of data, one-to-one interviews with successful immigrant entrepreneurs and host country entrepreneurs, survey data of host country and immigrant entrepreneurs and archived stories from newspapers or magazines describing successful immigrant and host country entrepreneurs. Such a combination of one-to-one interviews and network surveys will help identify not only the structural positions that successful immigrant entrepreneurs occupy in cross-country networks, but possibly confirm that they are indeed occupying boundary spanning positions in these networks. Survey data and archived data analysis will further help triangulate the findings and allow the testing of these propositions as hypotheses.

The interview data and archived data will both be coded using researcher constructed categories (Douglas, 2003). These codes will follow both an open coding approach, as well as a thematic code category approach. The thematic code categories will be as depicted in the figure 3. As we indicated earlier, immigrant capital is a distillate of social capital, economic capital, cultural capital and human capital and the network positions assumed and adopted by immigrant entrepreneurs, arising from their networking activities and their network capital will likely give them prominence, allow them to occupy

boundary spanning positions across cross-country networks and bridge structural holes across networks (Burt, 2009) leading them to recognize opportunities earlier than other host country entrepreneurs.

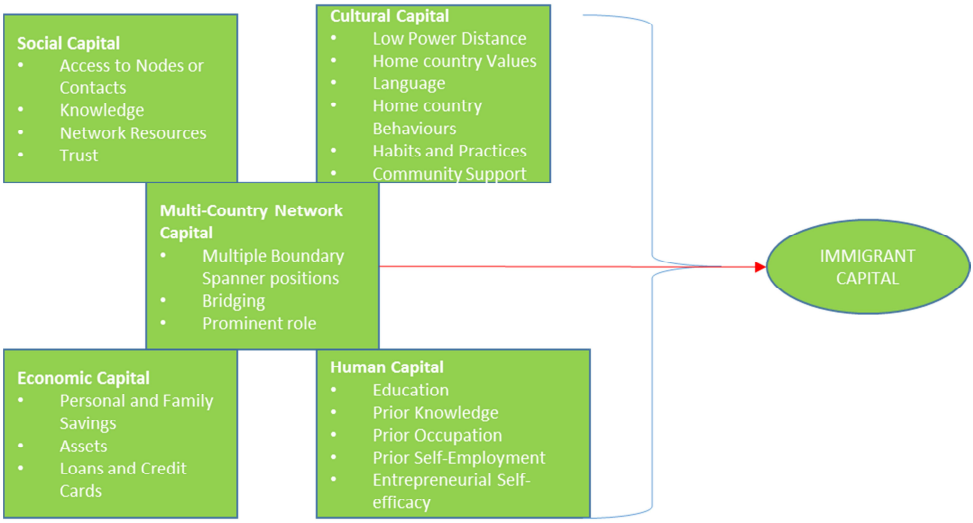

Figure 3. The thematic code categories to measure immigrant capital as a distillate of different opportunity recognition and venture creation driving factors
Source: own elaboration.

CONCLUSIONS

Our paper, utilizing the process of grounded theory, synthesized current immigrant entrepreneurship literature with coded data collected from archived secondary case data to propose a model of immigrant capital that explain why immigrants and not natives display a higher rate of entrepreneurial activity. Considering that class and level of education of all immigrant groups are subjected to different economic and social influences, we cannot expect a simple universal panacea to describe entrepreneurial activity among different immigrant entrepreneur groups (Ibrahim & Galt, 2003). However, adopting Singh's (2001) view of entrepreneurial opportunities as feasible, profit-seeking, potential ventures that provide an innovative new product or service, or those that imitate a profitable product/service in a less than saturated market, we get a broad enough definition that allows us to include incremental and radical products/services and all in between, giving us a large group of immigrant small businesses that sell such products to study when we develop our model further. While we acknowledge the actual success and failure of the firm is influenced by several other factors not considered in this paper, we feel our model helps pool several fragmented concepts in the immigrant entrepreneurship literature thus providing a much stronger foundation to build upon when exploring immigrant opportunity recognition and venture creation abilities.

The most significant contribution of this proposed model is, how countries experiencing economic downturns can learn from immigrant entrepreneurs, who have exhibit-

ed a consistent pattern of growth and success utilizing their cross-country schema based immigrant capital. Both, academic and industry experts, can design and develop training programs that show nascent entrepreneurs, how to become multi-country boundary spanners and hone their opportunity recognition abilities. Host country entrepreneurs can also be trained to see how they can capitalize on regional differences and learn to recognize gaps in the market to serve the needs of natives who are from different regions within the country as well as globally. An interesting area of application is in international joint ventures, because while weak ties have been shown to help with opportunity recognition internationally, the nature of the cooperators play a critical role in the development of the business (Kontinen & Ojala, 2011). This can also be addressed with the embedded multi-country boundary spanner oriented training programs. The contribution of this model to the academia will support proactive training of potential immigrants as well as native entrepreneurs. For instance, a constructive academic application could be, a course in entrepreneurship which can have any host country students form groups with virtual teams from different nations from around the world and have the instructor walk them through the process of building immigrant capital if they were to start a business in other countries.

Limitations And Suggestions For Future Studies

Being a theoretical paper focused on the development of a much needed concept to address the gap in immigrant entrepreneurship, an important limitation is the validation needed by comprehensive primary data sources. While we have begun this study based on a convenient sample of case studies as part of our initial pilot study as discussed above, we are in the process of seeking large data to test the model and refine it accordingly to continue building a grounded theory of immigrant capital. We are also limited in our ability to compare and generalize much of the empirical findings because most of them are country specific and home country characteristics and host country's market conditions offer varied permutations and combinations that differ from country to country and one immigrant group to another. We hope, however, with a more common model and concept, it would help begin a fresh series of comparable studies and findings, helping our field more constructively.

Further studies need to focus on empirical data from countries across the globe, to investigate the extent to which immigrant capital impacts the outcome of the entrepreneurial ventures for both immigrants and natives. Another area of interest is the parsing of the home country value system of immigrant entrepreneurs from third world countries and its interactive effects with immigrant identity. There is a tight value system of education, thrifty living, hard work, persistence and family first behavior from collectivist societies that sustain entrepreneurial activities of immigrants if they *identify* themselves that way. Integrating such a value system with the identity of natives, into the systemic development of a universal entrepreneurial process can only benefit small businesses in a struggling economy.

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Authors

The contribution share of authors is equal and amounted to 50% each of them.

Malavika Sundararajan

Assistant Professor in the Anisfield School of Business, Ramapo College of New Jersey, Mahwah, New Jersey, USA. She teaches Ethics in Business, Organizational Behavior and Entrepreneurship. Her research focusing on applying cognitive and behavioral models in the area of Entrepreneurial Opportunity recognition and ethical decision making. She has a Ph.D. in Management from Rensselaer Polytechnic Institute (New York, USA).

Binod Sundararajan

Associate Professor of Management in the Rowe School of Business at Dalhousie University in Halifax, Nova Scotia, Canada. He teaches Business Communication. His research focuses on Social network analysis, Historical data analysis, Systems theory, Constructivism, Thematic analysis, Language, Organizational learning, Networking technologies. He has a Ph.D. in Communications & Rhetoric from Rensselaer Polytechnic Institute (New York, USA).

Correspondence to:

Dr. Malavika Sundararajan
ASB 014, Anisfield School of Business,
Ramapo College of New Jersey
505 Ramapo Valley Road
Mahwah, New Jersey, USA
Email:msundara@ramapo.edu

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Immigrant Entrepreneurs: in Search of Identity

Beata Glinka, Agnieszka Brzozowska

ABSTRACT

Objective:The purpose of this study is to show identity construction processes of immigrant entrepreneurs and the way these identities are constructed and reconstructed in business and migration experiences.

Research Design & Methods: The findings are based on two qualitative research projects on immigrant entrepreneurs: Vietnamese entrepreneurs in Poland and Polish entrepreneurs in the USA. Both studies were based on ethnographic inspiration. Open interviews and observations were used to collect primary data.

Findings: The study indicates that identity construction is a process of an interplay of three main elements: being an immigrant, being an entrepreneur, and sense of nationality. This interplay takes place in different, overlapping dimensions: private, social, national and professional, and it takes place in a certain cultural context. Identities of immigrants are constantly constructed and reconstructed in their search for belonging and freedom at the same time.

Implications & Recommendations: The results imply that the issue of immigrant entrepreneurship requires open, culturally-oriented and comparative studies. Recommendations for further studies are formulated in the last section of the paper.

Contribution & Value Added: The paper provides insight into the processes of migration between different cultural and institutional contexts and their impact on entrepreneurs' identities.

Article type:	research paper
Keywords:	identity; entrepreneurs; immigrant entrepreneurship; immigrant identity, Vietnamese entrepreneurs, Polish entrepreneurs
JEL codes:	L26, M13, Z1

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INTRODUCTION

This paper focuses on the identity construction of immigrant entrepreneurs and its main components, i.e. nationality/ethnics, being an immigrant, and being an entrepreneur[1]– the way their quests for identity, blend and interacts with their business decisions. Our main purpose is to explore, by applying ethnographic methods, how immigrants, in different cultural settings, construct and de-construct their identities and what are the main elements through which they define themselves.

The article explores some key areas. Firstly, we aim to provide empirical examples from the field of immigrant entrepreneurship, specifically immigrants' entrepreneurial efforts. Secondly, our purpose is to develop ideas about the processes of identity construction, and its key components, in the context of immigrants' entrepreneurial activities. We depict the ways immigrants describe themselves, and reveal their multidimensional identity.

Identity research is quite popular in organization theory, however, identities of entrepreneurs have been largely underexposed (Essers & Benschop, 2007, p. 49). Moreover, in the field of entrepreneurship, there is a constant need to use differentiated methods and perspectives (Jennings, Perren, & Carter, 2005) to grasp the dynamic phenomena that are connected with entrepreneurial processes. As Kärreman and Alvesson (2001) pointed out some years ago, for various reasons functionalist paradigm (Burrell & Morgan, 1979) still dominates in organization research and thus our understanding of specific processes of reality construction is poor.

A growing number of studies based on different paradigms and ontological foundations has been conducted in recent years in almost every field of organization studies. However, we think that there is still a need to enhance our contextual understanding of the dynamic nature of many aspects of organizing, and immigrant entrepreneurship is definitely one of them. To understand entrepreneurial activity is to avoid static descriptions of entrepreneurs' population, caught in reified categories. It is also to understand how entrepreneurs, in different context make their decisions and construct their identities and to bring our knowledge closer to their everyday practices.

International migration is one of the most interesting social issues. It creates important challenges, and raises vivid questions in different dimensions - political, economic, and social. Immigrants establish families, participate in political life, create networks, work or create jobs for others (Castles & Miller, 2011). Moreover, as recent discussions (i.e. about immigrants in UK) have revealed, immigrants and immigration may cause many controversies and social tensions. For these reasons, more research about the nature and dynamics of immigrants functioning is needed.

In this article we focus on one face of immigration - the immigrant entrepreneurship. This phenomenon is usually connected with immigrants' business activities, and defined as the process of new venture creation by immigrants (i.e. individuals who were born abroad, or at least one of their parents was born outside the host country). Research on immigrant entrepreneurship includes a vast variety of areas, where the following may be

[1] The main goal of our research was to examine the immigrant entrepreneurship; we concentrated only on main factors pointed out by the entrepreneurs, and we did not take under consideration issues connected more directly with immigrant private lives, i.e. family and friends. These areas should be further researched.

considered to be most popular: motives of migration and migration strategies, factors influencing a creation of a new venture in a host country, forms of entrepreneurial activity and strategies of venture development.

We pointed out that identities of entrepreneurs and processes of identity creation have been underexposed in entrepreneurship researches. It is even more visible in the field of immigrant entrepreneurship – ethnic identity of migrants has been widely investigated, but not much of these researches have taken entrepreneurial dimension under consideration.

The following part of this article is structured in four main sections, in which we will show various ways of defining and using the concept of identity and identity creation. We will also point out some connections between identity and entrepreneurship identified by researchers. In the next part, we will present the methodology adopted for field studies on immigrant entrepreneurship used as an empirical foundation of this text. The description of research results will constitute the next section. Finally, we will discuss our results and present concluding remarks.

LITERATURE REVIEW

Identity Construction Processes

The study of identity and identity formation is not new on the agenda of researchers. The term "identity" is often used in organization studies on different levels of analysis: individual, groups of individuals, and organizational (Czarniawska-Joerges, 1994; Kärreman & Alvesson, 2001; Kodeih & Greenwood, 2014). Some studies tend to go further into the macro-level analysis, and reflect the meaning of context in identity construction and re-construction. Below we will describe some of the streams and controversies in identity studies within organization theory, and particularly – within the field of entrepreneurship.

The term "identity" is not only often used, but also abused in contemporary research. It is one of these buzz words that attract researchers. Due to its broad and differentiated meaning, it can evoke criticism as well. For example, Brubaker and Cooper claim that identity tends to mean too much, too little, or nothing at all (2000). The same authors point out that "identity" is an ambiguous term and it shouldn't be used as a category of analysis[2].

> *If identity is everywhere, it is nowhere. If it is fluid, how can we understand the ways in which self-understandings may harden, congeal, and crystallize? If it is constructed, how can we understand the sometimes coercive force of external identifications* (Brubaker & Cooper, 2000, p. 1)?

Despite the criticism, we decided to follow long symbolic interactionists' and social constructivists' traditions (Berger & Luckman, 1966; Goffman, 1963; Strauss, 1959), and apply the term "identity" to describe the processes through which immigrants define

[2] Brubaker and Cooper propose to use alternative categories for analysis, such as: a) identification and categorization, b) self-understanding and social location, commonality, c) connectedness, groupness (Brubaker, 2006; Brubaker & Cooper, 2000); from our perspective, these are partial substitutes, that refer to some aspects of identity, and thus, are not enough to explain its complexity. On the other hand Brubaker refers to "overcomplexity" of a concept and offers the way to simplify the conceptualization.

their place and role in a host society, make sense of themselves and their actions. In fact, we do not mind ambiguity, and fluid character of the concept, which is "blurred but indispensable", as Tilly (1996, p. 7) accurately described it. As far as ambiguous nature of identity is concerned, we also agree with Kärreman and Alvesson who declare that

> *it is both potentially fruitful and economical to have a concept that is capable of addressing sameness and difference at the same time* (2001, p. 62).

Identity Construction in Organization Studies – a Short Review

Probably the most visible tendencies in identity studies are connected with the switch from a very concrete, coherent, stable, and reifying vision of identity to more relative, subjective, fragmented, and processual understanding of the concept. This tendency is, at least partly, rooted in classical social constructivists' understanding of identity.

There is no doubt that in recent years identity studies have been marked by different trials to escape ambushes of simplification and rigid categorization. Some new "identity stories" were introduced, but part of them also has a potential of reifying and "creating a new shade of universalism that contains its own inevitable exclusions" (Somers, 1994, p. 613). So, the quest for creating open and flexible concepts and theories of identity is still vital.

Researchers' interest focuses on the way the self is manufactured, created (recreated) in various social processes (Kärreman & Alvesson, 2001, p. 63). Stable and coherent self-representation is a myth, as individuals tend to create multiple, inconsistent, and context-dependent self-representations that may shift over time. As Ewing puts it

> *at any particular moment a person usually experiences his or her articulated self as a symbolic, timeless whole, but this self may quickly be displaced by another, quite different "self," which is based on a different definition of the situation* (Ewing, 1990, p. 251).

Ewing claims that individuals may be unaware of shifts and inconsistencies, whilst some other scholars claim that actually individuals can choose their identities (see e.g. Casey & Dustmann, 2010; de Munck, 2013). In both cases, an assumption exist that there is no single, unchanging, and stable identity. Multiple identities are widely recognized on both personal and organizational level. Referring to multiple identities, Massey (1993, p. 65) stresses the fact that they are constructed in relation to multiple locations, when people move, and live in different contexts (economic, social, cultural).

Contextualization of identity creation processes is another powerful (yet not new) tendency in the field. The classical assumption that context, as well as social interactions, shape one's identity (Mead, 1934) is now widely recognized. For example, De Munck (2013) proposes an instrumental model of relations between self, identity and cultural context. He stresses that a function of self is to serve "as an active symbolic device" mediating between context and identity, and selecting an appropriate identity (de Munck, 2013, p. 182). We tend to agree that self, identity and culture are interdependent, but in our opinion de Munck's model treats them as far too concrete entities, and in addition – indicates that identity is purely a question of one's choice. For us identity is a less instrumental entity, a construction, a relational concept, or as Kärreman and Alvesson (2001) put it "social accomplishment", rather than naturally occurring phenomenon.

Shifts in contexts, frames of reference may cause inconsistencies in beliefs and opinions of an individual, which, in consequence, may be "leading to a 'forgetting' of one's previous point of view" (Ewing, 1990, p. 268), and triggering construction of a new self-representation.

As Somers points out, identity-formation takes shape within the "relational settings of contested and patterned relations among narratives, people, and institutions" (Somers, 1994, p. 626). She stresses the narrative nature of identity and maintains that narratives, and accordingly relational setting, must always be explored over time and space, only then can we understand this area of study. Following the idea of narrative identity allows us to grasp the ways people use to "preserve their sense of continuity and unity of self without losing their plasticity" (Kärreman & Alvesson, 2001), or, in other words, to understand how people deal with identity re-constructions.

Also McAdams observed that narratives, and particularly life stories reflect identity, and in this view, life phases may be considered ‘chapters’ in a person’s evolving autobiography (2001). In addition, the same "identity material" can be crafted differently into "life stories, and have a different impact on people’s social identity, depending on how it is related to other identity material" (Kärreman & Alvesson, 2001, p. 65).

Identity addresses concepts of sameness and difference. It means that when analyzing identity construction and re-construction, one must refer to some kind of distinctiveness, i.e. individuals' (groups) self-definition as being different from someone else, or other groups. People show a tendency to classify themselves and others into various social categories, which help them in ordering social environment and define their place in it (Kärreman & Alvesson, 2001; Turner, 1984). Through these processes categories emerge, as well as boundaries; Bauman describes it as the formation of a sense of belonging which results from boundary drawing, ordering and othering (Bauman, 1991). Among some typical categories there are those connected with nationality and ethnicity; these categories have a special meaning for immigrants.

Identity Construction and Immigration, Ethnicity and Entrepreneurship

The question of national and/or ethnic identity is often raised in discussions about migration. This seems to be quite obvious, as migrants, by definition, are involved in interactions with two countries, two contexts and two cultures. Cultures they interact with, very often differ a lot, create different frames of reference and require some reaction: building (or re-building) and negotiating new "immigrant identity". Immigrants construct their ethnic identity through constant ongoing interactions and dialogue with other individuals: from the host society, from other minority groups, and from their own ethnic groups – living abroad and in a home country (Buitelaar, 2002; Essers & Benschop, 2007, p. 53).

In identity stream of research, US ethnic groups identities are often investigated (Kibria, 2002; Lai, 2004), which is not a surprise due to long traditions and mass scale of migration to that country. Galush, when referring to migrants in the US, emphasizes that most of them could be characterized by dual sense of national identity in many aspects of social life. Immigrants wish to preserve important characteristics and values of their home country culture, but at the same time wish to be "good Americans" (Galush, 2006, p. 89).

For Alba ethnicity is a symbolic entity concerned with the symbolic dimension of culture only, not the culture itself, as he expresses it (Alba, 1990). Ethnicities are easily re-

constructed as a result of varying situational contexts. National or ethnic boundary building processes tend to be both interactive and selective.

> *Out of the large universe of potentially relevant cultural differentiae, only a few – and not necessarily those most salient to an outsider – are selected by actors as diacritical markers, signs or emblems of ethnic difference* (Brubaker, 2009, p. 19).

Pozniak (2009) explores another dimension of selectivity, i.e. the hegemonic discourses that inform popular perceptions of immigration and immigrants, and the ways in which immigrants both adopt and negotiate these discourses to construct their experiences and identities. She shows that newcomers do not uncritically internalize hegemonic representations of immigrants, and central narratives

> *serve as a prism through which newcomers construct their experiences and identities. They may accept and reproduce certain elements of a narrative while negotiating, subverting or outwardly rejecting others* (Pozniak, 2009, p. 188).

DeHart (2004) argues in a hegemonic discourse national (ethnic) identities may be imposed, as in the case of "Latino" immigrants. In this construct, strongly supported by the US media, Latin America is shown as a monoculture, "post national space characterized by cultural homogeneity, market integration, and technological underdevelopment" (DeHart, 2004, p. 268)[3]. On the other hand, Alba (1990) explains that unification (e.g. being "European") can be one of the forms of the renegotiation of ethnicity that brings significant social benefits for those it encompasses.

The body of research on immigrants identity is quite significant, but the economic dimension, and in particular entrepreneurship, is rarely a central point of disputes[4]. Accordingly, the publications referring to entrepreneurial identity (Steyaert & Hjorth, 2003), in most cases tend to stress issues other than nationality/immigration. Stuart (2009), for example, refers to entrepreneurs' identity construction processes and points out that space (in case of his research - territorial stigmatization of Skid Row area in Los Angeles) may play a crucial role in those processes. Falck, Heblich and Luedemann (2012) who apply the points of view of economics, call for intensification of research on identity, as it may provide "additional explanatory power" to the field of entrepreneurship. It would be an exaggeration, however, to say that the intersection between immigration (or being a member of an ethnic minority), entrepreneurship and identity does not exist in the literature.

For example, Heberer (2008) discusses the dual role of entrepreneurs – as carriers of ethnic symbols and agents of modernization. He claims that time (history) and space are crucial markers of identity, but also suggests that economic success influences the process of new identity development.

Transnational theories, popular in migration studies, are also reflected in research concerning identity/entrepreneurship relations. Ray (2009) provides an example of such studies and concentrates on transnational aspects of identity of entrepreneurs of Indian

[3] To some extent "Latino" category resembles "Eastern Europe" – also very often perceived as a unified, post-communist land of underdevelopment but new market possibilities. One of us experienced the practical side of his label while living in the US – was expected to at least understand Eastern European languages (which obviously may be tricky – compare Hungarian, Polish and Lithuanian to understand why).

[4] With one general exception - whenever immigrants from Asia (e.g. China or Korea) are investigated, economic aspect tends to be emphasized quite strongly.

origin operating in the US and India. He claims that transnational connections expand, and their role grows, also in the field of identity creation. Entrepreneurs who were studied by Ray describe themselves as being Indian, treasuring this sense of belonging, and nurturing common identity as well as memories of India. On the other hand, entrepreneurs of Indian origin did not find it problematic to incorporate their Indian identity with their American citizenship – they also described themselves as Americans (or Americans born in India).

Pécoud (2004) offers a little different approach and shows how German-Turkish entrepreneurs in Berlin live and work in culturally mixed context and rely on co-ethnic and non co-ethnic resources. As a result, they create a cosmopolitan identity pattern that is based heavily on their cultural competencies.

In this article, we define identity as a dynamic, processual, multilayered phenomenon that positions an individual, and defines his or her "being" in the world, and belonging to certain groups or categories (professional, ethnic and others). Our understanding of the concept is similar to this proposed by Kärreman and Alvesson (2001).

As we pointed out earlier, identity issues are investigated from both micro- and macro level perspectives. Researchers often show benefits arising from the connection of both perspectives (Cerulo, 1997; Kärreman & Alvesson, 2001), and thus we try to bridge those levels in our research. There are potential links between these levels, which can be effectively used to study identity issues. Some examples were presented in previous sections, e.g. those linking individual identities with certain elements of group functioning – professions or ethnic communities. In this article, our concern is to show identity construction and re-construction from the perspective of immigrant entrepreneurs of Polish origin in the US, and of Vietnamese origin in Poland. In order to understand this subject, we decided to take into consideration not only individual motives, beliefs and capabilities, but also to contextualize the process by referring to different settings. Here, the profession (entrepreneurs) and migration between two contexts is crucial. For us, identity is useful as a bridging concept between individual, professional and national-ethnic levels.

MATERIAL AND METHODS

Some authors stressed the need to investigate relations between entrepreneurship and identity (Pécoud, 2004), as this topic has hardly been investigated. With our research we wish to contribute to filling this gap. Moreover, we concentrate on immigrants, as we perceive them as a very interesting group from identity construction point of view: coping with different contexts, building life stories in two cultures, under influence of various internal and external factors. This multiplicity of layers makes the process more complex, but also very fascinating for a researcher. In this article we base on two research projects conducted in two different groups of immigrants. We decided to combine two very different groups because of couple of reasons: a) their life and professional situation is similar – members of both groups run their own businesses outside of their home country, b) both groups have to face differences in cultural frameworks (home and host country), and the situation of being de-placed, c) in both cases immigrants perceive substantial differences between values and symbols of a home and host culture. Thus, immigrant entrepreneurs under investigation have to rethink and re-construct their

identities in different dimensions. In both cases, we use the same methodology to enable comparative analysis.

According to the UN data, there are more than 210 million international migrants today worldwide, and probably this number will grow within the next decades (in 2000 there were about 160 million migrants) (Vorderwulbecke, 2013). For over a century the United States of America had been one of the major destinations of migrants from all over the world, and one of the major destinations of Polish migrants. Later, especially after accession of Poland to EU, the USA lost most of its attractiveness as a migration destination. Still, the population of the US inhabitants who declare Polish ancestry (single or mixed) is quite substantial: 9.5 million (3% of population) of Americans reveal their Polish origin (U.S.CB, 2010). This group has a significant economic power and influences (not only) American economy; 3.3% of American business owners declare Polish ancestry.

The population of Polish immigrant entrepreneurs – not only in the US – was seldom analyzed and described from the point of view of economics or management science. Many stereotypes exist in that field, both in Poland and in the US: usually when we think about Polish immigrants, all we can imagine are very simple, traditional businesses (for some empirical evidence see: Glinka, 2013, pp. 123-124).

Poland is not a popular destination for international migrants. Most of them chose Poland only as a transit country, on their way from the East to the West. Usually immigrants residing in Poland are from neighbouring countries like: Ukraine, Belarus and Russia. In the first place in the ranking are Ukrainian, then surprisingly Vietnamese and next Russians and Belarusians. (UDSC, 2010). It is very interesting considering the fact that the three of the mentioned countries belong to the same cultural area. Only Vietnamese people are from a very distant culture. As a consequence, the story of their arrival is interesting.

The first wave of Vietnamese immigrants to Poland took place in the '60s and '70s of the 20th century. This group of immigrants consists mainly of students and Ph.D. students who came to Poland in order to study at the Polish Universities. They came to Poland under the agreement between two communist governments: Polish and Vietnamese. It was assumed that the understanding should be that after graduation they would return to their host country. However, many of these students have stayed in Poland permanently. It is believed that these people (being well educated, knowing Polish and Vietnamese culture) helped the other groups of Vietnamese immigrants in entering Poland, and in building migration network (Górny et al. 2007). The prevailing form of economic activity amongst the Vietnamese, contrary to other immigrants, is self-employment. That is why, the Vietnamese constitute such an interesting group in terms of entrepreneurship (Wysieńska, 2012).

The field under investigation (identity creation by Polish and Vietnamese immigrant entrepreneurs) is grounded in culture, very dynamic and not well described in the literature, so the choice of qualitative methods was natural as leading to potentially interesting results and a better understanding of the subject of entrepreneurship (Hjorth & Steyaert, 2004; Jennings, Perren & Carter, 2005). The main goal of both research projects was to examine entrepreneurial activities of immigrants: Polish in the US, and Vietnamese in Poland. Our projects were not focused directly on identity construction processes

– this category emerged from the field. In this article, the results of our studies are presented to address some main questions we formulated during the project, i.e: how is the identity of immigrant entrepreneurs created and what constitutes it?

Project 1: Polish immigrant entrepreneurs in the US

Over 40 interviews (1/2 – 5 hours each) were conducted between October 2011 and July 2012. The snowball sampling method was used to identify potential subjects in study. Most of them were done in the US, mainly in the regions with the highest number of Polish immigrants (Chicago and Illinois, New York and New Jersey), but also in Florida, Wisconsin, California, Washington DC and Virginia. The gathered data was recorded and subsequently transcribed (around 800 pages of transcribed text were analyzed). Most interviews were conducted in Polish, as the vast majority of interviewees were first generation immigrants who spoke Polish fluently. The method of research used in the research was a semi-structured interview with set of open questions. The interviews were combined with observations and visits to entrepreneurs' companies. Additionally, secondary data sources which completed the data set providing context and reference were: entrepreneurs' internal analysis of documents, analysis of immigrant press, as well as analysis of survey data.

Project 2: Vietnamese immigrant entrepreneurs in Poland

Over the period of April 2012 and April 2013 there were 20 interviews done with the Vietnamese entrepreneurs who run their companies in Warsaw. Mix of a snowball and diversity sampling method was used to identify research subjects. Objective was to collect the stories of not only typical immigrant entrepreneurs who lead restaurants or sell textile, but from people from different social groups, with different education, with different level of acculturation etc. The interview technique was semi-structured with set of open questions. All interviews were combined with observations, recorded and then transcribed. The interlocutors belonged mainly to the one and a half generation[5]- i.e. people who came to Poland with their parents as 2-4 year old children, and were brought up in this country. There were only 5 participants from the first generation of Vietnamese immigrants. Like in the first project, an analysis of documents, as well as analysis of survey data were used.

In both research projects we applied the procedures of grounded theory (open coding and *in vivo* coding) (Charmaz, 2006; Glaser & Strauss, 1967; Hensel & Glinka, 2012) in order to analyze the collected material (Charmaz, 2006). The procedures of interview analysis were followed twice, with the help of IT tools (Atlas TI software). After coding central categories were created. In the end, the comparative analysis of results obtained in both researches was performed.

[5] The term 1.5 generation refers people who immigrate to a new country in their childhood and they grew up in a new country so it is difficult to define them as the first generation, on the other hand, they do not belong to the second generation born in the new country.

RESULTS AND DISCUSSION

What was observed while doing the research was that immigrant entrepreneurs' identities have the same main elements. They are constructed from the following: being immigrant, being entrepreneur and the sense of nationality. Going further, the last mentioned element can be considered on different levels: individual, social, national and even transnational. In our work we will focus on individual level of nationality, which is shaped by culture. At this point, it is essential to remember that in the case of immigrants, we have to consider two cultures forming nationality, home and host country. It is the collective imagination which builds the frame of a group.

All the three elements have a huge impact on the process of identity formation within immigrant populations. In the following section we would like to present how each element functions, and how our interlocutors construct and de-construct their identities. We will show identity as presented by immigrants; they belong to the ethnic community to which they feel they belong (Kolakowski, 2003).

Nationality: Diasporas, Home Country and Host Country

Our research has revealed, that nationality is crucial in immigrant entrepreneurs' self-definition. It is strongly connected with two other elements of identity construction process: being an immigrant, and being an entrepreneur. We start from describing nationality component, as for our interviewees it constitutes a foundation of the process of constant construction and reconstruction of identity.

Polish Americans or Members of Polonia?

Self-definition, in terms of nationality, was very important to immigrant entrepreneurs of Polish ancestry operating in the USA. Some of them, at the beginning of an interview, explicitly pointed out who they feel they were.

> *I treat myself as a Pole. And I always say: I'm Polish, I am not American. I am Polish-American, but you know, first of all I am Polish. I make no secret of it.*[6]*. [A30]*[7]

> *I am an American of Polish ancestry. [A29]*

Most of the interviewees draw attention to their great sentiment to the home country. In some cases it is a romantic vision: they depict it as the country where their grandparents or parents lived, some of the immigrants spent great youth there, some of them had experiences in the fight against communist rule. Those memories are quite vivid, but on the other hand immigrants notice significant changes that take place in Poland – most of them like the changes, but some of them highlight their negative side. Most of interviewees maintain regular contacts with home country, visit it, sometimes start businesses in Poland as well.

> *I have great feelings for Poland. My ancestors, grandparents lived there. [A21]*

[6] In origin, this was said in two languages: Polish mixed with English.

[7] "A" in quotations stands for Polish immigrant entrepreneurs in the US, and "V" – Vietnamese in Poland. The numbers were ascribed randomly.

Poland has changed. Now Poland is amazing, it's beautiful. Every year I go to Poland. [A27]

In addition, most of the immigrants have at least a part of their family in Poland, which also influences the way they construct their everyday life, as well as self-definitions.

I am kind of torn, I have my family here and there. So I fly to Poland again, and again, as often as I can. [A28]

These, in most cases, positive immigrants' feelings for Poland, do not exclude the US as an important part of their identity. They seem to seek for a balance between their embeddedness in the home country, and their appreciation of the host country.

I am here. I have an American citizenship. But I didn't forget about Poland as you can see [A8]

When I came here for the first time, I just didn't like America. [and now] after two weeks [in Poland] I miss an American air. It's no secret, I start to suffocate. [A16]

I keep thinking about Poland. When I fall asleep I recall my school years. I think about streets. I walk the streets in my dreams, and this country will always be the most precious for me. But on the other hand, this is my country as well, I adapted it as my country. (…)f Beata, I am so happy in his country, really! I keep telling it to everyone: I love this country, I love this country. Such a beautiful country. I made my life in here. [A4]

The perception of nationality becomes much more complicated when it comes to the diaspora – traditionally called *Polonia.* The most part of interviewees had mixed feelings about *Polonia,* and were very reluctant to define themselves as a part of it.

Poles here cannot unite. [A28]

'Polonia'is a very hard group of people. They seem to be envious [A1]

We've always been a huge group, but not a strong group [A23]

Moreover, some negative stereotypes of *Polonia* (existing both in Poland and in the US) are stressed, and – at least to some extent – agreed upon. Some of the interviewees contrasted themselves (and their friends) with classical *Polonia*, some – pointed out that *Polonia* is very differentiated, and pigeonholing is an inappropriate simplification.

Here [in California] the Polonia is very distinct from the one that is subject to irony and derided in Poland. Distinct from Chicago-like or New York Greenpoint-like Polonia. [A19]

The stereotype exist in Poland that Poles in the US are primitive beetroots. I wouldn't agree with that. [A31]

No matter to what extent interviewees agree with negative stereotypes of *Polonia*, they put importance to one thing: it is not a coherent and united group that can participate in political or social life of the host country. *Polonia* seems to be more interested in the home country and its political life.

The huge problem is that Poles do not participate in the political life of the United States. But every time there are elections in Poland, our consulate is crowded. [A24]

There are so many Poles. But we have 138 organizations, 424 clubs and 8656 opinions (…) and everybody attacks one another. [A6]

Having mixed feelings about *Polonia*, most of Polish immigrant entrepreneurs believe that there is a need to sustain Polish traditions, and have some places to gather – at least from time to time. Some factors were pointed as those which increase the coherence of the Polish group, among them language, church and events. Using the Polish language, enforces the Polish part of their identity. For many immigrant entrepreneurs it is also crucial in business, as they address at least part of their offer to the Polish ethnic group.

Here in my company everybody speaks two languages. They speak Polish and English. [A5]

Every worker needs to speak Polish. No matter what's his race, but must speak Polish. I do not mind the race. [A8]

We are an American company. But we speak Polish, and our staff speaks Polish. And that is good. If I would hire an American who doesn't speak Polish, this person wouldn't manage the job. Because we are a bilingual company. (…) And our customers are bilingual. [A10]

On the other hand, limiting oneself to the Polish language can cause many problems with functioning in the host society. That mode of action (functioning without English) used to be very popular in the past, however, there is still a group of immigrants that speaks only Polish and manages to get around thanks to moving to the Polish districts.

I moved downtown Chicago where I didn't have contacts with Polish language, and it helped me to learn English. [A4]

Now more and more people know how to use their abilities. They speak English, and get around easier. [A3]

The Catholic Church has always played a very important role in *Polonia*'s life. It has long traditions, and well developed structures. Polish churches and priests can be found in every state, in almost every large city all over the US. Churches are (or used to be) central points of Polish districts, like in Chicago and New York.

You know, I think that it is the Saint Hyacinth'schurch that saves Jackowo[8]. A lot of people go to this church. (…) and you know, wherever you live, there is always a Polish church, and a Polish mass. [A7]

In average, Polonia here in the US is much more religious and practicing than an average individual in Poland (…). Most of my local Polish friends I can surely meet in church at 11 or 12 o' clock. And I wouldn't meet any of my friends in church in Warsaw. These are the differences. Yes. Polonia is quite religious here. [A33]

[8] Jackowo is a custom name of a Polish district in Chicago. Its name comes from Saint Hyacinth's Basilica – In Polish it is St. Jacek.

Poles participate in various events organized not only by the church, but also by local governments, entrepreneurs or immigrants' organizations. Some of them have patriotic dimension (like parades) and help to sustain (or define) the concept of "being Polish", some promotes Polish culture, some serve for amusement (picnics, popular music concerts).

In the past Polish districts served as hubs where traditions were cultivated, everybody spoke Polish, cooked Polish food and watched Polish TV. But it seems that these enclaves are becoming weaker, as people tend to spread, and move to either suburbs or city centers. Moreover, Polish districts, like *Jackowo* (Chicago) or *Greenpoint* (New York) were perceived equally as helpful places, and stigmatizing places. It was easier to start in a Polish environment, which confirms classical thesis of Breton on institutional completeness (1964). But those who came here, tended to stay here with limited development possibilities.

The interplay between a Polish and an American element of self is reflected in immigrant nationality discourse in many ways. The place of birth is not necessary the most important factor defining nationality.

> *She's got a very nice husband from Poland. Born in here, but with Polish highlander roots. [A16]*

One of the most visible aspects of Polish-American interplay, is how immigrants define the concept of "we". A huge part will refer to Poles as "we". It becomes more tricky when *Polonia* is considered: in most cases *Polonia* means "they" (or at least "we" and "they" mixed up in one group). When referring to America, immigrants tend to use "we in America" rather than "we Americans". It supports directly expressed opinions of many immigrants: they are first of all Polish, but also citizens of the US, Americans (of Polish ancestry); quite seldom they refer to themselves as members of *Polonia.*

Identification with Vietnamese and Identification with Vietnamese Diaspora

Nationality constitutes an important element of identity also in the case of Vietnamese immigrant entrepreneurs living in Poland. The Vietnamese from the first generation are more confident in relation to the sense of their nationality. Although they stay in Poland and cope with its reality, they miss Vietnam immensely. Other studies, that used ethnosizer to assess the identity and integration of the Vietnamese in Poland, indicate that the Vietnamese are undecided about further plans to stay in Poland and choose separation strategy of integration (Brzozowski & Pędziwiatr, 2015).

Still, it does not matter how long they are in Poland. All interlocutors have some feelings for Vietnam, but the first generation has the strongest bond with the country.

The Vietnamese from the second generation are in a difficult situation. They feel that they are half Vietnamese and half Polish and seem to understand both cultures and, thereby, build their dual identity. On the other hand they do not belong to any culture entirely. They try to answer the question: am I Vietnamese or am I Polish? Some of them cannot cope with this discontinuity and it brings to them many problems in relation to family issues:

> *For example me, I was raised here, I came here when I was three years old, so I am a mixture: half Polish, half Vietnamese. Here and there I cannot find myself in 100%. [V10]*

> *Our first year was horrible. My Mum doesn't allow herself to think that I can be with the Polish guy. But I told her, already being at junior high school, I would be with Polish, not Vietnamese (...) I had so many battles with Mum. But she is used to this idea and gave up... because how long can you fight? Especially that we have been together for 1,5 year. And we went to Vietnam together. My Dad accepted him out of hand. He accepted him as he is. And whole my family accepted him well. [V9]*

There is a group of Vietnamese who maintain their tradition and their Buddhism practice. For instance, when it comes to business issues, it is important for the Vietnamese to have an altar to be taken care of. They believe that without one, there would not be any success. What is more, they contact a spiritual teacher (who is Vietnamese) in order to get an advice on various aspects (e.g. how they should behave and what they should do to achieve their business goals). Some of them treat omens as crucial signs in decision making process.

> *Tao is a person, who knows tradition and know a lot of things. We call him at 6 or 2 in the morning, we call our teacher and we ask him what we should do. And even when he is 10 thousands kilometers from us he says: listen to me, you put incense wrong! Because dragon changed its position. Put him more on the right side. [V12]*

> *So they can refuse to sell meat to a pregnant woman when she comes on the first day of a lunar month. My sister-in-law told me that previously they had never sold it. At present they sometimes break their rules. There is superstition about pregnant women, who bring bad luck. [V9]*

The Vietnamese who are involved in carrying on trade often have their own place where they gather. Until very recently they could assemble at a stadium in the centre of Warsaw. However the stadium was rebuilt and they were forced to move to two different big halls where they created the shopping centre[9].

> *You know, there is no stadium anymore. Now is Marywilska and Maksimus* (market halls). [V5]

Vietnamese immigrants are different from each other, with various life stories, educations and motives. Sometimes they do not accept the way other Vietnamese behave, and as a consequence- they do not identify themselves with the whole community.

> *So from when I am here, I think that Polish are very hospitable. But slowly, slowly there are going to be more Vietnamese here. The working class is coming and because their manners and culture is of lower level, so that is why Polish people rather do not like Vietnamese. [V11]*

However, Vietnamese see the difference between the second and first generation. It is hard for them to classify these two into one nationality. They even describe young generation as being more Polish than Vietnamese.

[9] 10th-Anniversary Stadium build in 1955 and for many decades it was one of the largest stadium in Poland. After 1989 was used mainly as an open-air market where people could buy a whole range of goods like clothes, CDs, souvenirs. Traders were from many countries also from Vietnam. In 2007 market was closed. Now Wólka Kosowska, Marywilska marketplace located near Warsaw, serve as a such markets.

> *In Poland they are like real Polish. They can cooperate with Polish, not like their parents who were afraid. They finished Polish higher education and they can work at the Polish administration or companies in Poland. They know the local habits. They are shaped like Polish and they have qualifications like Polish people. This generation has everything to lead their life in a Polish way. Probably they are even more fluent in Polish than in Vietnamese. [V8]*

The fact that the Vietnamese and Polish culture differ, makes the cultural gap even wider. In certain ways, they belong to two different worlds. In the Polish world they have friends, business partners, even life partners, and in the Vietnamese reality there are family, friends and also business partners. Both worlds have different order, beliefs and perceived values.

Nationality as Part of Identity – Final Comments

In both research projects nationality emerged as a crucial part of identity. In both cases we could observe different interplays of two components: home, and host country identity. In the case of Vietnamese in Poland, the identification with Poland and Polish values seems to be lower than identification of Poles in the US with their new country of residence. But both groups – while building bridges with the host country – tend to maintain their home national identity. Kolakowski (2003) identified five elements constituting the process of construction of national identity: national spirit (manifested in collective set of behaviours), historical memory (memories about the home country that do not have to be true, but may be imaginative), anticipation and future orientation (includes opinions about the future, and what will happen with the nation), national body (connected with territory and artefacts shaping environment), and nameable beginning (legends of the beginning of the nation dated somewhere in the time). Those elements are clearly visible in our study, however they seem to take different forms, evolve over time and to some extent – serve different purposes. For example, national body seems to be more important for Vietnamese, than to Poles. Vietnamese created shopping centres where they are the main traders, and these places have become some kind of small cities for them. Moreover, there are some districts in Warsaw where the Vietnamese prefer to live (Górny *et al.*, 2007; Bieniecki *et al.*, 2008). At the same time Polish ethnic districts in the US have tended to lose their central role and significance.

For both groups historical memory and connections with the past are very important. Just like Kolakowski claims – legends and own interpretations of history tend to be more important than "historical facts". As Kolakowski states: *We learn history not in order to know how to behave or how to succeed, but to know who we are* (1990, p. 158).

The national dimension of identity is not simple and clear: it is composed of different elements connected with two settings, and can be seen as a result of self-reflection and perceptions, trade-offs between different (sometimes conflicting) elements. Moreover, as immigrants' perceptions of home and host country changes over time – this element of identity is being constantly reconstructed. To that crucial dimension, two others are added: experience of migration, and professional dimension of identity.

Being an Immigrant

Polish immigrant entrepreneurs generally like the American environment, and find it

quite easy to live in. Their first impressions were, however, mixed. Most of them admired the easiness of the economic system (little bureaucracy), but were surprised by some elements of American culture. Some of them found it difficult to switch to the American way of life, which is according to their perception: being more optimistic, self-believing and always smiling. Some of them appreciated open attitude of Americans.

> *In immigrant's life it is very important to believe in yourself, and not to give up. You cannot think that you are an immigrant, so you have accent and you are afraid to speak up! Absolutely not! Americans admire you! [A4]*

> *I didn't have problems because of being an immigrant. I am not an American born here, I do have a strong Polish accent that can be instantly recognized. So I can be easily recognized as an immigrant, but I've never felt any distress, in contrary, sometimes appreciation. [A10]*

Positive attitude of Americans was very often underlined by interviewees, but they also pointed out that some stereotypes about Poles do exist. Those stereotypes are connected with professions mainly; as immigrants claim working in construction companies (man) or cleaning companies (woman) is still perceived as a typical Polish professional career by Americans. This picture is evolving, as Poles tend to choose more and more differentiated professions.

In general, interviewees perceive America as a country that is very friendly for immigrants - a relatively good place to be an immigrant, as this is a special mixture of races and cultures constituting the US. In that mixture one does not feel extreme alienation and is allowed to do what he or she wants to.

> *America is based on immigrants, isn't it? [A14]*

> *America is very friendly for immigrants. Nobody asks questions. Everything is alright. [A24]*

As we explained above, some immigrants are torn between Poland and the US. But in the case of Polish immigrants it seems to cause problems more on the level of perceiving one's nationality than on the level of self-definition as an immigrant. As America used to offer (and still offers) a relatively easy start for newcomers, some appreciate a possibility to have a new beginning in life. Obviously, not everyone is so optimistic, and some interviewees claimed that first years were marked by extremely hard work, sacrifices, and a fight for survival. Dealing with novelty can be perceived as source of opportunities and difficulties in the same time.

> *I generally think that immigrant's life is very easy. Particularly for those who leave their country alone, because they can get rid of their old environment and everything that influenced them. If immigrants have a little self-consciousness they can easily make a new start – ok, I begin, carte blanche, nobody knows me and I have new people around. [A15]*

What can be found out from the Vietnamese (among other things) is the first impression from their early days in Poland. They described, for instance: the weather, food, people, language, habits, what made them feel strange and alienated and generally culture. They felt incongruous in Poland and more like guests - not inhabitants. Everything was surprising.

> *Beautiful streets. On the middle were trees. And I am thinking I do not know why, but I am happy. And then… I did not know Polish… I am staying on the street. I do not know where is the Vietnamese embassy. I ask some woman. She left her things and led me to the embassy.* [V11]

It was, and still is, very hard work to create their own places. These were especially people belonging to the first generation who were the pioneers. They could rely on nobody. Everything what they built, was created from the beginning. Finding themselves in a new environment and creating something from nothing was a huge challenge. However they managed to accomplish it. They built their community and prepared space for their children to live in advantageous conditions.

> *So we create everything by ourselves, our place, where we work and we help each other somehow. [V12]*

It is worth noting that they are proud of their work and what they have constructed so far. They are aware of changes, the conditions in which they lived and what kind of immigrants they were and are.

Before '60s and '70s of the 20th century, there were no Vietnamese in Poland. Polish residents were more homogenous. It makes Vietnamese feel different and out of place. They are aware of the fact that Poland it is not a place to where they fully belong.

> *Young people are open… but in Poland there is still racism, especially this hidden racism. I see it. Fortunately it is better now than before, but still it is hidden. I do not what to go deeper, because it looks bad. [V8]*

> *Generally we can exist at home and among Poles. This is not a problem. But when we come back to our homes we can be very Asian. We exist in two worlds. We know how to behave like Poles, and how to behave like Vietnamese. [V10]*

The immigrants are in a difficult situation also in relation to their home country. They remember the way Vietnam looked in the past and they long for living there, but their fatherland has been changing. When some of them come back to Vietnam, they are disappointed, and they do not accept new rules and culture. Their dream about improving the situation in the country is destroyed by the new reality. This is a specific longing for home, where home is Vietnam, even if they do not live there anymore.

> *For 15 years I did not have any special feelings for homeland, that me and country... Poland ... I like living here. I have never thought about Vietnam. However it came, I felt I have to go to Vietnam and built the power grid. (...) I went there and my idea about power grid gone... generally I lost... [V12]*

> *(*about her older sister) *She was trying to do something in Vietnam, but she failed so she came back here. [V2]*

The above-mentioned facts show a tendency among the Vietnamese that they do not match fully to any culture. They are between two worlds and they do not feel that they belong to one place. It is a very difficult issue in relation to building their identity. As Kubitsky (2012) writes: it is a trace left in immigrants' psyche forever. Being in between is characteristic feeling of the immigrant identity. Idealisation of the home country and then clash with the reality is a common situation. For some individuals this is a very hard

experience.There are many factors affecting immigrants' imaginations of the homeland (Morawska, 2011).

All of the immigrants are familiar with nostalgia, the feeling described by Ritivoi (2002, p. 14) as "*an important element in the experience of immigrants".* She draws attention to the fact that all immigrants struggle with alienation, self-estrangement, changing their personal identity. Nostalgia is an immanent element of immigration. It connects past with the present and fills the gap in personal history. It is the feeling about belonging to some place.

Both Polish and Vietnamese immigrants feel nostalgia to their home country, which we discussed above. Being an immigrant – longing for a home country, living abroad, trying to find appropriate place in the society is a natural part of their identity. It appears that these are the most important elements which construct their identity as immigrants. For the Poles it seems to be the part that causes less problems, than for the Vietnamese. The Vietnamese managed to overcome a sense of outsider status. But instead they re-constructed their identities by creating two parallel identities: Polish and Vietnamese. Everything is done to avoid the uncomfortable feeling of being immigrant. Polish immigrants find themselves in the land of immigrants – the US, where being an immigrant is rather a rule than an exception.

No matter what strategies are used in constructing identity, in both cases being an immigrant means mixing different meanings, symbols, values and patterns (Fenton, 2007). The outcome is ambiguous, „identity under construction", a patchwork composed of different migration experiences, symbols, rituals and values, embedded in host and home traditions and strongly connected with national dimension.

Entrepreneurship as a Part of Identity

In theories of immigrant entrepreneurship different reasons of establishing own businesses are described (Volery, 2007). Two most popular point out that: i) disadvantage situation pushes immigrants to open a new business (Chrysostome, 2010) or ii) cultural qualities of immigrants and operating between two different settings make them more willing to create new ventures (Sahin, Nijkamp, & Baycan-Levent, 2007). Our research indicates that both theories can be useful in explaining immigrants entrepreneurial behavior – the first one may be applied to Vietnamese immigrants (1st generation in particular), whilst the second one seems to explain entrepreneurial processes initiated by Polish immigrants.

Polish immigrants often perceive the United States as a land of opportunities. In that context being entrepreneur may be perceived as an important completion of self definition.

> *A lot of people [of Polish ancestry] here (…) is raised to have a vision and motivation to reach for the American Dream. [A29]*

This dream may take many forms: from a local, small ethnic enterprise to a big, growing company. In most cases Polish immigrants had a choice even if they didn't speak English. A lot of Polish entrepreneurs on the market created some job opportunities. Most of the jobs offered to Poles by Poles were not very attractive, but also not very demanding in terms of competencies and education. That might serve as an impetus for creating a business – sometimes also quite simple and not demanding in terms of com-

petencies and education. Another quite strong impetus comes from the environment, institutions, legal system and culture, perceived by immigrants as helping, and favorable for businesses. In other words, entrepreneurship constitutes an interesting and attractive way of constructing professional self-definition. The interviewees maintain that the entrepreneurial way is not the easy one, and requires a lot of time, effort, and even sacrifice. Fortunately in most cases pay-offs are adequate, in particular social recognition and financial status.

> *[own business] means big sacrifices. Especially in personal life (…). But if you love what you do, that is definitely the best option. [A11]*
>
> *There are always downs in business (…) but you have to believe in yourself, believe that you do the right job! No matter what you need to stand by your principles, always! [A4]*

Most of immigrants connect entrepreneurship with freedom and independence. Entrepreneurship also holds the promise of satisfaction, and confirmation of unique skills and abilities, with few exceptions (entrepreneurs feeling himself/herself "chained" to his).

> *Nobody has to support me. I know how to make money. [A6]*
>
> *I like what I do. I built a great managerial team in my company. [A21]*

Business very often overlaps with ethnicity. What is interesting, as far as business is concerned, opinions of interviewees about *Polonia* are more positive, or at least mixed. Only some of entrepreneurs operate on a typical ethnic market, i.e. hire Poles and targets Polish ethnic customers group. But most entrepreneurs cooperate with the Polish ethnic group in one way or another: by choosing Polish business partners or addressing job offers to Poles first. The opinion that Polish immigrants cooperate much better in business, than in politics is quite popular, however there is a group of entrepreneurs that avoid this kind of cooperation as a result of previous bad experiences.

> *Here in Chicago there is an opinion that we are not united. But I think it is not about business issues. It is more about politics among Polonia, not so much about business. [A5]*
>
> *I prefer cooperation with Polish companies. If I have a possibility to buy, contract something (…) I always prefer a Pole. I think that we should help, support one another. [A23]*
>
> *Work with ours is a very complicated issue. [A6]*

The first generation of Vietnamese immigrants felt they had no choice: they had to become entrepreneurs. As far as the motives are concerned they seem to be very different from Polish immigrants in the US; the self-employment was often the only perceived option for them. They were not able to find a job at Polish companies because of the language barrier. At that time, and even now, the Polish law, economic and social situation forced some of Vietnamese immigrants to set up their own companies.

> *...on the other hand it is the result of formal issues. The labour market in Poland is still closed for the Vietnamese people... [V2]*

> *Because it is not that we have a chance of working at Polish companies...this chance is so tiny. So seeing that we do not count on anybody's help, and we have no choice. [V3]*

That is why, most entrepreneurial immigrants opted for self-employment; and they hired members of their ethnic group at their companies. It is a natural ability for the first generation to become entrepreneurs. They even do not think about themselves otherwise than independent businessmen. Working for someone else is not a path, which they consider any more. Running their own business is a natural preference, that supports a decent life. Moreover, they do not persuade their children to follow their career choices. They dream about a better future for their descendants and they think that doing business is very difficult, saddled with high level of stress.

> *But it is very hard to run these restaurants.(...) My parents want better future for us... [V4]*

The second generation is not convinced that they want to become entrepreneurs. They are aware of being highly skilled and well-educated, and hence, competitive on the Polish labour market. Better future for some of them is to have stability and a certain salary every month.

> *Here I grew up... second generation. Let's say, I am well qualified, I am highly skilled. I do not see the future like that, I judge my career choices whether it brings me the development (but primarily money) (...) If business is going well, I will go in this direction. I will leave my job and I will focus on this. If not, I will close the business down and I will go to a well-paid job. [V5]*

> *I have to work somewhere. I wouldn't be able to have just my own business. You have to deal with your company 24 hours per day. And I don't want to live like that. I want to have a job, and after my shift I do not have to think about work. I want to have my salary every month. I don't want my income to depend on customers. [V9]*

Some immigrants use their parents' experience to become successful entrepreneurs. They have a strong will to shape their future by being independent.

> *I put into my head that I am either the one who hands out the cards or that one who receives the cards. [V10]*

The second generation, people who were brought up in Poland, are very confident about their business skills.

> *I have my business network and all suppliers and good, fixed prices. [V10]*

All interviewees agreed that they want to have a business. It does not have to be the main source of income. Some of them worked in companies, before setting up their businesses, but now they think that having own companies is the best option.

> (about his Father who is the owner of the restaurant) *sometimes he tells me that it is better to work for ourselves than for someone else. [V11]*

To sum up, older Vietnamese immigrants were forced by the life situation to become entrepreneurs. They cannot imagine working as employees now. However, the second generation has a wide range of job opportunities. There is a group of immigrants for whom self-employment is an opportunity to make some extra money, and to verify their

capabilities as entrepreneurs, without taking the whole risk (still working as employees). Another identified group of young Vietnamese have the ambition to create a new original businesses, more modern than their parents have.

Following the "self categorization theory" proposed by Turner and Oakes (1986) it can be noticed that our interlocutors: both Poles and Vietnamese immigrants categorize themselves as independent people. Even if they are employees, they still want to have something on their own. This attitude influences their actions, making them construct their own, professional reality. Polish immigrants (both first and second generation) tend to show more will towards developing their business, and their businesses are more differentiated, ranging from traditional shops on the corner, to multinational IT companies. This can be, at least partly explained by longer tradition of Polish immigration to the USA – many types of businesses have been created, and many different role models exist within this ethnic group.

Finally, we must put emphasis on the fact that our research has revealed that professional dimension - being an entrepreneur – can be perceived as a stabilizing one, at least comparing to national/ethnic and immigrant dimensions. This may be observed in both groups under investigation, however we feel that this tendency is more visible among Polish immigrants. Most of our interviewees were self-confident, proud of being entrepreneurs. They emphasised that it is a hard work, but it gives a lot of satisfaction, self-fulfilment, and helps them build their position in a society. Being an entrepreneur brings immigrants closer to their American dream, or Polish dream in the case of Vietnamese. Additionally, they feel that the host country citizens (especially Americans) appreciate their success. That, in turn, helps immigrant entrepreneurs feel more "at home" and give the host country elements a better place in their self-definitions.

CONCLUSIONS

This article has explored what elements constitute immigrants' identities in two cultural settings (Poland and the US). It has developed theoretical and empirical insights into how specific groups of migrants in host societies refer to different dimensions of their self definition: national (being Polish, Vietnamese, American), professional (being an entrepreneur) in the context of perceiving themselves as immigrants. Recognizing the nature of processes of identity construction and reconstruction is essential for gaining in-depth knowledge of their actions, decisions they make, and relations they build with other immigrants as well as other people.

Our research illustrates identity construction and re-construction as a multidimensional, complex and dynamic process. Even second generation of immigrants faces the problem of being connected to two different frames of reference, longing for their home country and, at the same time, trying to define their place in the host country. Immigrant and national/ethnic dimension of identity are inseparably connected, as being a migrant leads to many dilemmas connected with belonging and self-categorization. Many of our interviewees spontaneously started the conversation with self-defining statements: I am Polish, I am Polish-American, I am Vietnamese… This self-attribution changed, however, during the interview, and the concepts "we" and "they" were used in many meanings. What we saw was a flux, and not a concrete, stable system of elements. Thus our findings support tendencies identified by prior identity studies.

Immigrants see themselves as conquerors trying to grasp new lands in a somehow romantic fight for recognition or acceptance. Those from the first generation very often had to change their professional life – like Vietnamese coming to Poland, and feeling that they are not fitted to the labour market, or Poles who found out that their Polish managerial experiences have no value for their potential American employers.

Others define themselves as transnational travellers – constantly living between two countries, but one day willing to come back to their homeland. They try to build intercultural competencies (Magala, 2005) in order to grasp two different contexts and build bridges between them.

There is also a group of hobos, exiles, who feel misplaced and strange, and do not deal too well with the process of identity reconstruction. Amongst our interviewees – immigrant entrepreneurs – it was not a common case, and one of the possible explanations is the nature of professional identity reflected in immigrants' discourse.

Entrepreneurship, according to our research, is the most stable dimension of immigrants' self-definitions. It delivers a kind of counterpoint to liquid definitions of "we" and "they", and constantly re-constructing a sense of belonging. Instability of other dimensions of identity causes a lot of actual and potential tensions and stress, whilst being an entrepreneur provides a self-assuring element.

The identity of immigrant entrepreneurs must be re-constructed due to several reasons. Those reasons are connected with personal characteristics (beliefs, preferences, competencies), as well as with context. In the case of immigrants, what makes the process unique is the radical switch in that context: moving from one country and culture to another, sometimes very different from the one an individual is used to. In the article we delivered an empirical illustration of important aspects of that process.

Limitations and Further Research

The process of the construction of identity of immigrant entrepreneurs is a relatively new field in the entrepreneurship studies. Our research contributes to the better recognition of this phenomenon, but it has several limitations. First of all, our research is limited to relatively small group of interviewees. The extension of the group of interviewees would allow to investigate this issue deeper. Secondly, the comparative analysis may be enhanced, e.g. the analysis could be conducted amongst immigrant entrepreneurs from other ethnic groups. It is noteworthy that the process of constructing immigrant identity differs little between culturally distinct groups. The differences are not significant yet still some groups construct their reality in host countries differently. Also, it would be important for further research to study the second or even third generation of immigrant entrepreneurs and compare the results with the first generation. Moreover, it would be crucial to examine family and school as factors affecting the process of identity building. The study of the process of raising in a host country could be particularly interesting.

For further research it would be also useful to consider mixed embeddedness concept (Kloosterman, 2010; Kloosterman & Rath, 2001; Kloosterman, Leun & Rath, 1999) where analysis covers the following interacting areas: economic, social and institutional context. It shows that immigrants are involved in an complex environment and it would be necessary to study the various issues in a broader context.

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Authors

The contribution of co-authors is equal and can be expressed as 50% each of the authors.

Beata Glinka
Professor, Director of the Centre for Entrepreneurship and Head of the Department of Organizational Innovations and Entrepreneurship, Faculty of Management, University of Warsaw.

Agnieszka Brzozowska
Received PhD from the Faculty of Management, the University of Warsaw (Poland).

Correspondence to:
Prof. Beata Glinka, PhD
University of Warsaw
Faculty of Management,
ul. Szturmowa 1/3, 02-678 Warszawa, Poland
bglinka@wz.uw.edu.pl

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The Adaptation of Intentional Immigrant Entrepreneurs: A Case Study

Prue Cruickshank, Ann Dupuis

ABSTRACT

Objective: This paper describes the experiences of a group of intentional immigrant entrepreneurs (IIEs) who have successfully set up a business within three years of arrival in a new country. It shows how various forms of symbolic capital are successfully deployed at each stage of the entrepreneurial process and asserts that the study of intentional, well-resourced immigrants, can contribute to understanding immigrant entrepreneurs' adaptation to their new settings and also inform immigration policy.

Research Design & Methods: Qualitative in-depth interviews were conducted with a sample of New Zealand intentional immigrant entrepreneurs. The iterative analytical process used revealed the various dimensions of symbolic capital necessary for adaptation to the host country and to fulfilling visa requirements to gain residency.

Findings: This paper demonstrates that the successful adaptation of IIEs, while in the first instance requiring adequate financial capital, also requires the strategic use of human, cultural and social capital, in different ways and at different times in the entrepreneurial process, to overcome the obstacles and barriers to success.

Implications & Recommendations: As immigration policy makers seek to balance global migrant pressures and international obligations against internal national economic and political demands, the results of this study could resonate with both global policy analysts and scholars engaged in immigrant entrepreneurship.

Contribution & Value Added: This article adds to the relatively small body of scholarship on IIEship, particularly those who, unlike the majority of immigrant entrepreneurs, do not establish a business within ethnic communities.

Article type:	research paper
Keywords:	intentional immigrant entrepreneurs; forms of capital; immigrant entrepreneur adaptation; entrepreneur visas; entrepreneurship models
JEL codes:	L26, F22

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INTRODUCTION

There is a large and growing body of literature on the complex phenomenon of immigrant entrepreneurship. One end of the immigrant entrepreneurial spectrum captured in this literature is represented by immigrant business activities which return low profits under difficult labour conditions (Rath, 2000). The other end is represented by highly skilled, intentional well-resourced immigrant entrepreneurs (Marger, 2001a; Saxenian, 2002), who form a distinctive but minimally studied niche group. The characteristics that set intentional immigrant entrepreneurs (IIEs) apart is that a) on arrival in the host country they are well-resourced and b) their ability to gain residence in their host country is dependent on their success in establishing a business. Hence, the two features of adequacy of resources and intentionality in defining IIEs (Cruickshank, 2013). Given the potential of IIEs to contribute to the economy of their host country through wealth and employment creation, and innovation (Curci & Mackoy, 2010), under conditions where they, rather than the government bear the risks, their adaptation to their new environment is a matter of significant importance to governments as they increasingly seek to attract this group.

This article presents a model for the successful adaptation of IIEs to their selected host country. The model was developed from a study of IIEs to New Zealand (Cruickshank, 2013), a country which, like many similar countries, has introduced specific visa options to attract suitable immigrants as a means of addressing issues of population and economic growth. One such option, the Long Term Business Visa (LTBV), introduced in 1999, was intended to provide a conditional, structured opportunity for immigrants who did not meet the criteria of the more commonly used skilled migrant or investor visa categories. Under the LTBV conditions, applicants were given three years to establish and actively operate a business which, if deemed successful, would qualify them for residence in New Zealand as an Entrepreneur. Visa conditions required these immigrant entrepreneurs to be well resourced and demonstrate intentionality. Furthermore, as the immigrant's business was required to benefit New Zealand by introducing new technologies, skills, products, services, export markets, create employment or revitalize an existing business (New Zealand Immigration Service, 2006, s 51-1), innovation was both implied and required. Hence the definition of an IIE is extended to include the entrepreneurial characteristics of identification and exploitation of a market opportunity involving an aspect of innovation. IIEs can be differentiated from immigrant investors who obtain visas by investing significant economic capital through a host country enterprise or enterprises, but need not necessarily be involved in those enterprises.

The immigrant entrepreneur adaptation model is broken down into three stages, each fundamental to the entrepreneurial process: the preparation stage; the implementation stage; and the consolidation/expansion stage. In the preparation stage applicants had first to identify a suitable visa. They then needed to complete a visa application which included a business plan. Once their plans were approved a nine month visa was granted to enable applicants to implement their business plan. If they were deemed to have taken reasonable steps towards business implementation, their visas were extended for the remaining 27 months of the LTBV three year visa. During this final stage applicants consolidated or expanded their businesses so that at the end of the three year

period they had met all the required conditions to gain residency. If applicants did not meet the criteria at each stage their visa was not renewed.

We argue that the three stages of the entrepreneurial adaptation model can apply broadly, regardless of the characteristics of individual entrepreneurs, the businesses in which they are involved, or whether or not they need to fulfill any specific conditions, like those pertaining to the LTBV. The value of examining these stages as they apply to the LTBV has to do with the range of conditions, especially the specific time requirements, associated with the Visa itself. That the applicants can meet these stringent conditions in such a compressed time period highlights the factors necessary for entrepreneurial enterprises more generally. These factors comprise forms of capital or resources, drawn on to achieve a successful, timely, business outcome. We suggest that the model presented can be used to analyze the successful adaptation of all successful immigrant entrepreneurs to their host country and can be applied in contexts well beyond New Zealand to help explain successful entrepreneurship.

In the following sections we first review two distinct sets of literature on the adaptation of immigrant entrepreneurs to their host country and forms of capital. We then discuss the qualitative methodological approach to the research on which this article is based and the methods used for data gathering and analysis. The subsequent section sets out the research results focusing on the particular forms of capital that were drawn on as a resource to overcome the particular obstacles met at each of the three stages of the entrepreneurial process delineated in the model. In the final section the conclusions from the study are drawn and the broad implications of the findings are discussed. We conclude that the study of IIEs, which has only received very limited attention, can contribute new knowledge to the literature on the adaptation of immigrant entrepreneurs to their host society and also inform policy makers responsible for attracting this distinctive and increasingly important group.

LITERATURE REVIEWAND

This article is informed by two distinct sets of literature: literature pertaining to immigrant entrepreneurs and adaptation issues in their new host country; and literature on forms of capital. Each of these literature strands is crucial to the understanding of the successful, timely adaptation of immigrant entrepreneurs.

Locating Intentional Immigrant Entrepreneurs

Locating IIEs within the broader immigration and entrepreneurship literature is depicted in Figure 1. Migration is a complex and multi-dimensional phenomenon that affects the communities and economies of both host countries and countries of origin in diverse ways. Because of this complexity migration research is an extensive area, attracting contributions from a range of disciplines. The migration literature drawn on for this article focuses on the structural level, and discusses the way influential global and national economic factors affect migration regulations, patterns and policies (Castles & Miller, 2009). The work on business immigrants is more specific, including skilled and unskilled immigrants and investors and entrepreneurs. More specific again, is the work on under-resourced immigrant and/or ethnic entrepreneurs. The fourth area on immigrant entrepreneurs relates to adequately resourced IIEs (Figure 1).

Following Castles and Miller (2009), two strands within migration theory inform insights into the structural influences on the participants in this study. A dominant theoretical paradigm in migration studies, neoclassical theory, emphasizes rational, individualistic migration decision-making, as migrants purposefully select their destination country. IIEs fit this description as they carefully select their destination country to improve the future quality of life for themselves and their families. Also pertinent is the migration systems theory which involves both macro and micro factors, and describes two or more countries in on-going historical migration relations such as New Zealand and Great Britain. This theory incorporates the individualist selection processes typical of the participants in this study, while incorporating macro-structural dimensions such as national immigration policies, including the LTBV option.

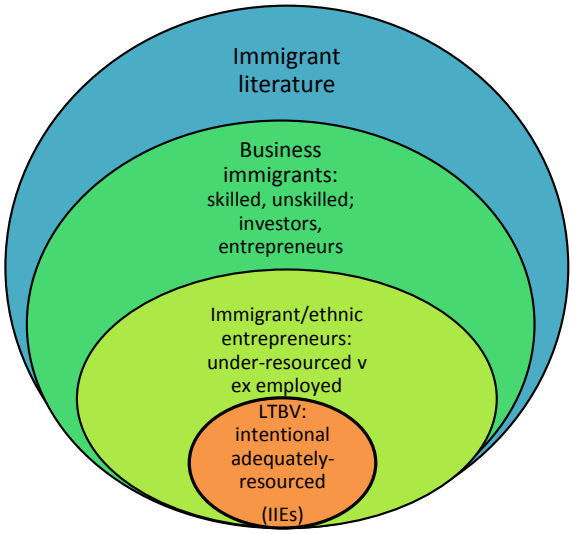


Figure 1. Location of LTBV holders within business immigrant studies
Source: Cruickshank (2013).

Business immigration literature incorporates economic and regulatory perspectives of immigrant business investors and entrepreneurs, including the employment of skilled and unskilled labour (Rath, 2000). In the post-WW2 period, research on business immigrants was dominated by American researchers, reflecting that country's economic and regulatory environment and its institutional and national conceptions and assumptions (Aldrich & Waldinger, 1990; Portes, 1998; Waldinger, Aldrich & Ward, 1990). Moving forward into the 21st century, immigrant entrepreneurship research has become more geographically diversified (Collins, 2008; Dana, 2007; Kloosterman & Rath, 2003), providing a broader range of cultural and national perspectives.

Located within the business immigrant sector, is the immigrant or ethnic entrepreneurial literature. One strand within this literature focuses on the less-resourced or unintentional entrepreneurs who might or might not possess the types of skills sought in the host society. They might also seek employment as their first option, only to be pushed reluctantly into entrepreneurship when faced with few employment opportunities. Early

studies of immigrant and ethnic entrepreneurship generally, focused on unintentional entrepreneurs, driven from poorer to richer countries for economic reasons who, when unable to find employment in the host country, survived by starting both formal and informal enterprises (Kloosterman, 2000; Light, 2004; Volery, 2007).

By contrast, a second and more recent strand in the business immigrant studies literature centers on adequately-resourced IIEs, the focus of this study. IIEs are very likely to have a background of self-employment and arrive in their adopted country with sufficient resources to fulfill their intention to establish a business (Collins, 2008; Ley, 2006; Marger, 2001c). For example, studies of ethnic minority entrepreneurs in Canada, Europe and Australia described the establishment of ethnic communities and businesses which helped revitalize metropolitan areas (Kloosterman & Rath, 2003). Other studies focused on skilled ethnic minority immigrant employees who later set up businesses (Basu, 2004; Collins, 2008; Kloosterman & Rath, 2003; Kloosterman, van der Leun & Rath, 1999; Light, 2004), such as Chinese and Indian entrepreneurs in Silicon Valley (Saxenian, 1999, 2002).

The dichotomy of, on the one hand, under-resourced and unintentional entrepreneurship and on the other, well-resourced and intentional entrepreneurship, can be linked to, but can also be differentiated from necessity-based and opportunity-driven entrepreneurship and from the strand of literature which focuses on transnational ties and business success (Brzozowski, Cucculelli & Surdej, 2014). While IIEs can embed themselves within their ethnic communities, many choose not to do so and function within the mainstream market, as demonstrated by many LTBV holders in this study. While some IIEs maintain transnational ties, others largely operate within the host country's economy. Curci and Mackoy (2010) provide a useful typology of immigrant enterprises in terms of mainstream market or enclave positioning. Pertinent to this research too have been studies that show divergent degrees of success among IIEs (see e.g. Hiebert, 2008), although for those who entered countries like Canada, the open ended conditions on their visas and the lack of governmental monitoring of visa conditions has led to some less than satisfactory outcomes (Marger, 2006).

Economic and Symbolic Capital

Significant to this study is the role of capital, both economic and symbolic. Following Bourdieu (1986), symbolic capital includes human, cultural and social capital. Extending the analysis of the success of IIEs to include both economic and symbolic capital allows for an integrative theory of adaptation which incorporates structural dimensions with the creativity and freedom of agency (Brubaker, 1985). Broadly, capital, in whatever form, represents a resource created by an investment of time and energy by economic agents and is regarded as essential to many forms of success in society.

As entrepreneurs require adequate finance to underwrite their enterprise (Boissevan, et al., 2006), the availability and use of finance represents one of several key considerations when analyzing the outcomes of entrepreneurial activity (Frederick, Kuratko, & Hodgetts, 2007). Financial capital enables immigrant entrepreneurs to acquire premises and stock and provides a cash-flow until the business becomes financially sustainable. To fund new businesses, entrepreneurs usually obtain financial capital from their savings, family, or less often, through financial partners, investors, stockholders, or via a bank loan (Frederick, Kuratko & Hodgetts, 2007). Although some immigrants embedded in co-

ethnic communities can generate adequate capital (Ndofor & Priem, 2011), they often struggle to do so (Boissevan *et al.*, 2006). In contrast, IIEs are adequately self-funded financially (Marger, 2001a; New Zealand Immigration Service, 2002).

While there is a substantial literature on the financial aspects of immigrant entrepreneurship, comparatively little has been written which focuses on the role of symbolic capital in successful immigrant entrepreneur adaptation to the host society. Bourdieu's (1986) analysis of the forms, functions, conversion, acquisition, objectivity and subjectivity of capital, is useful in analyzing the resourcing of IIE's businesses. In his analysis of the transference of economic wealth between generations, Bourdieu described the complementary forms of capital required to achieve a successful economic transfer. The value of Bourdieu's insight to this study is that these forms of symbolic capital enable IIEs to successfully engage in a capital transfer process, to facilitate their start-up business and support their establishment and expansion.

In constructing his theory of symbolic capital, Bourdieu recognized that the physical, material world is perceived through a cultural lens (Brubaker, 1985), an insight pertinent to this study as immigrants and members of the host society might perceive the value of their respective symbolic capital resources quite differently. It is therefore crucial for IIEs to ensure they understand the business environment in the host society and the attitudes and values of host society members. Successful adaptation of IIEs rests on their ability to skillfully deploy their forms of capital in ways appropriate to their new environment.

Cultural capital is a crucial dimension of IIE success. In its objectified form (such as cultural goods), institutionalised form (like recognised qualifications), or embodied form (such as attitudinal characteristics and dispositions), cultural capital is drawn on by IIEs as they negotiate and adapt to their new environment. Human capital, defined as measurable skills and capabilities to increase productivity (Becker, 1975), can be extended to include the value of such attitudes as innovation, creativity and experience, again vital dispositions IIEs bring to their successful adaptation. Studies of IIEs have recognized the importance of human capital to their successful settlement (Collins, 2004; Kloosterman & Rath, 2001; Ley, 2006; Marger, 2001b). Appropriate human capital enables IIEs to research and strategically network to access mainstream markets, even when not fluent in the local language (Ley, 2006; Marger, 2001a, 2001c; Sequeira & Rasheed, 2004).

The concept of social capital, described by Bourdieu (1986) as the value obtained by individuals through networked family, professional and social relations, has the capacity to recognize that individuals' active participation in relevant networked groups can provide access to finance, investment possibilities, innovations, information or new markets. Some theorists (Coleman, 1988; Loury, 1977, 1981; Putnam, 1995, 2000) expanded the notion of social capital beyond the individual to the broader community to recognize networks as a collective resource. The literature on immigrant and ethnic entrepreneurship recognizes the significance of social networks to the success of individual immigrant entrepreneurs and the communities they join (Aldrich & Waldinger, 1990; Kloosterman, van der Leun & Rath, 1999; Perreault et al., 2003). Networked social capital has both positive and negative dimensions. Putnam (2000) identified that norms, trust and solidarity can arise from community networks, when coordinated for mutual benefit. How-

ever, immigrants, who do not engage with their neighborhoods for various reasons, could be excluded from such benefits (Putnam, 1995, 2000).

MATERIAL AND METHODS

Quantitative and qualitative approaches to immigrant entrepreneurial research each provide different ontological and epistemological assumptions of the social worlds which influence research design (Collis & Hussey, 2009). In New Zealand, for example, quantitative research has provided useful trend data on LTBV holders (Department of Labour, 2004, 2005; Merwood, 2006; New Zealand Department of Labour, 2012). However, to explore the adaptation experiences of LTBV holders that lead to their success, requires a qualitative approach to capture the realities of immigrant entrepreneurs and provide insights into their world views. The distinctive behavior and success of IIEs is reliant on their responses to the problems they encounter and within the time constraints they have to work under. Quantitative methodologies cannot adequately reveal the depth of thinking and the rationalization processes underpinning their behavior. Conversely, a qualitative approach can explore participants' feelings, aspirations, motivations and attitudes and afford them an opportunity to reflect on their experiences. The particular method of in-depth interviews undertaken for this study ensured participants could reveal the way they constructed their experiences, in their own way and in their own words (Denzin & Lincoln, 2005).

As IIEs represent a diversity of backgrounds, are indistinguishable from the general population, and have spent different lengths of time in New Zealand, this research required a sample selection process that would include in the sample entrepreneurs who had faced similar external circumstances in establishing their businesses. The LTBV allowed for this as it provided both a sample frame of potential research participants and a framework through which success could be gauged, in that gaining residency indicated success.

Entrepreneurial immigrants to New Zealand have proved typically reluctant to participate in surveys (Bascand, 2008; Wallis, 2006; Badkar, 2006; New Zealand Immigration Service, 2002), so the government was interested in the results of this study as the efficacy of the LTBV was under review. Approval was obtained from the appropriate government department to approach the 370 respondents to a government survey of 1585 LTBV holders, to signal their interest in participating in this research. Of the 370 initially 35 expressed an interest, with 16 finally consenting to being interviewed. Unlike quantitative research where the number of responses is crucial for generalizability, a sample size of 16 was adequate for a case study design where the major consideration is the in-depth nature of the information gathered and the flexibility of participants to narrate their experiences in a way meaningful to them, not in a manner constructed by the researcher.

With respect to particpants' characteristics, nine were from the United Kingdom, three from the United States of America, two from South Africa and one each from China and Korea. Thirteen were male and three female, and all but two were married. All interviews were conducted in English and while all particpants spoke English, four were bilingual with three of these participants having English as a second language. Uncharacteristically, the participants were scattered around New Zealand with only three settled in

Auckland, the main immigrant city where nearly 40 per cent percent of residents were born overseas (Statistics New Zealand, 2014).

The in-depth, semi-structured interviews were guided by a topic map, or interview schedule, to ensure that the three stages of the LTBV process were fully discussed. Participants initially provided a personal profile outlining their business background, education, experience and language ability, their perceptions of their levels of self-confidence, risk taking and desire for autonomy, and their motivations for coming to New Zealand. Through asking open ended questions and following a conversation-type interview approach, participants were then asked to talk about; their preparation before coming to New Zealand; their experiences in New Zealand of their first, second and third years; aspects of their business; looking back and reflecting on their experiences; looking forward and future business prospects; and their observations regarding the adaptation to the host country of any other LTBV holders they knew. The distinction between a conversation and an in-depth conversation-type interview lies in the focus on the participant rather than the researcher. Thus the researcher listens more and talks less (Seidman, 1991). Describing this type of interview as conversational in type, stresses that it flows and has the informality of a conversation, and that while it is not a question and answer-type interview, it nevertheless elicits understandings on a topic of concern to the interviewer. All the interviews were recorded and later transcribed in preparation for data analysis.

After trialing several approaches to data analysis, the heuristic use of a number of frameworks was decided upon. Initially Bolton and Thompson's (2004) Entrepreneurial Process framework, which had been used to inform the interview topic map, was applied and Waldinger, Aldrich, and Ward's (1988) Interactive Theory of Ethnic Entrepreneurship was adapted for considerations of structure and agency. Particularly relevant was Volery's (2007) Enhanced Interactive Ethnic Entrepreneurship framework to suggest various dimensions of human, cultural and social capital. Each framework significantly revealed further dimensions in the patterns of symbolic capital used by the immigrant entrepreneurs. The iterative analytical process gradually revealed the various dimensions of human, cultural and social capital that were significant at each LTBV stage, despite the participants' differences in ethnic and social backgrounds, and their scattered locations across New Zealand. The data gathering and analysis process culminated in a revised IIE process framework (Figure 2) which highlights participants' strategies of adroitly drawing on their resources of economic and symbolic capital to meet the demands of the visa requirements and overcome the frequent barriers they met in the entrepreneurial process.

RESULTS AND DISCUSSION

This part of the paper sets out the key results of the research in three subsections, each of which represents a stage in the entrepreneurial process: preparation; implementation and expansion or consolidation. In each subsection the focus is on the way IIEs used the particular forms of capital that were most important at that stage (Figure 2). The value of Bourdieu's (1986) concept of symbolic capital integrating agency and structure to entrepreneurial immigration scholarship became evident during the analysis of the interviews. Symbolic capital incorporates the elements of a number of theories relevant to this study

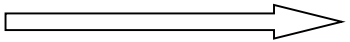
<table>
<tr><td colspan="8">Entrepreneurial Process
  </td></tr>
<tr><td>Stages</td><td colspan="3">Preparation</td><td colspan="3">Implementation</td><td colspan="2">Expansion</td></tr>
<tr><td>Financial capital</td><td colspan="3">Enterprise & Living costs
Adequate</td><td colspan="3">Enterprise & Living costs
Adequate</td><td colspan="2">Enterprise & Living costs
Adequate</td></tr>
<tr><td rowspan="2">Human capital</td><td>Industry knowledge</td><td>Market knowledge</td><td>Business knowledge</td><td>Industry knowledge</td><td>Market knowledge</td><td>Business knowledge</td><td>Industry knowledge</td><td>Market knowledge</td><td>Business knowledge</td></tr>
<tr><td colspan="3">Analyse, plan</td><td colspan="3">Strategise, problem solve, communicate</td><td colspan="3">Problem solve, develop new businesses</td></tr>
<tr><td>Cultural capital</td><td colspan="3">Entrepreneurial
Determination, self belief, optimism</td><td colspan="3">Entrepreneurial
Determination, self belief, problem solving, energy</td><td colspan="2">Entrepreneurial & Affiliate
Problem solving, energy, creativity</td></tr>
<tr><td>Social capital</td><td colspan="2">Trust
Introductions, credibility</td><td>Information
Markets</td><td colspan="2">Trust
Introductions, credibility</td><td>Promotion
Product/service
Feedback</td><td>Promotion
Product/service
Feedback</td><td>Information
New market opportunities</td></tr>
</table>

Figure 2. IIE immigrant entrepreneurship process: forms of capital use

Source: own elaboration.

of immigrant entrepreneurs. Social capital encompasses not only the networked and networking aspects of Granovetter's (1985) concept of embeddedness, but also the redundancy of networks and the strength of weak ties. Each of these aspects was significant, but especially at the critical second LTBV stage. The forms of symbolic capital also sit compatibly with the agentic and structural aspects of Waldinger, Aldrich and Ward's (1988) interactive theory of ethnic entrepreneurship. Symbolic capital also incorporates aspects of Volery's (2007) enhanced interactive ethnic entrepreneurship framework, particularly in relation to human and cultural capital. As symbolic capital theory conceptualizes the relationship between the material and symbolic, it elucidates how the material structural obstacles encountered by participants such as LTBV requirements, were resolved by the appropriateness and adequacy of their symbolic capital resources.

The Preparation Stage

Two key tasks in the preparation phase for moving to New Zealand were first, identifying an appropriate visa, and subsequently completing the detailed LTBV application. Neither task was straightforward. The LTBV application included preparing a business plan to demonstrate:

- sufficient financial capital to finance the business proposal;
- sufficient funds to support the applicant (and the applicant's family members) until the proposed business could sustain them;
- adequate business-related experience and, if necessary, evidence of obtaining professional or occupational registration in New Zealand;
- knowledge of the proposed business and the New Zealand business environment;
- the benefits of the proposed business to New Zealand.

Adequate financial capital was essential for participants to fund their proposed businesses, make exploratory visits to New Zealand, support dependents until the business became sustainable, pay costs and fees of the LTBV application and pay for the professional services of agents, accountants and lawyers whose services might have been contracted. Participants often demonstrated creative financial solutions. For example, New Zealand business partners were sought to help finance proposed endeavors and franchises were also seen as a cost effective entry point.

In the preparation phase, participants needed three knowledge dimensions of human capital: specialist knowledge of their industry; knowledge of the market in New Zealand; and general business knowledge. Evidence of their knowledge was demonstrated in their applications and through their curriculum vitae and business plans. It was also demonstrated through their analytical and planning skills. Technical and search skills were also invaluable at this stage.

Entrepreneurial cultural dispositions were also crucial. Most evident was self-belief and self confidence which, when coupled with positive and optimistic attitudes, led applicants to believe in their abilities to overcome obstacles and resolve any issues. Perhaps most significant was their determination to succeed. This was shown by participants who, for example, persevered despite receiving poor or even incorrect advice from government officials. Adaptability was demonstrated, for example, by those who had to change or modify their business plans and cope with delays in securing their visa. Optimism was demonstrated by those who, for example, were initially rejected during the

process, but persisted because they believed in their ultimate success. Participants also persistently adapted when applications were lost or officials provided misinformation, circumstances changed and when qualifications and experience from another country were not acknowledged in New Zealand. Despite obstacles, participants commented on relishing the challenges of resolving problems as part of the pleasure of undertaking the entrepreneurial journey.

Networked social capital was less significant at the preparation stage than entrepreneurial or human capital. Although local market information was essential, social networks tended to be undeveloped. Instead, participants often recruited mentors to obtain local, sometimes privileged information. Recruiting an appropriate mentor relied on human capital to identify the right person, plus the social skills to develop the relationship. Inadequate knowledge of local conditions could impact on the granting of a LTBV, as applicants needed to recognize that information from the internet required supplementary local knowledge.

The Implementation Stage

Establishing a business is a complex, multi-faceted, demanding process for business people operating in a familiar environment. Yet newly arrived IIEs had to implement their business plans in an unfamiliar business and cultural environment in the very short period of nine months. All IIEs interviewed made reference to the intense time pressure they were working under at this stage. As Figure 2 indicates, over this period IIEs had to have adequate financial capital to support themselves and their families and set up their businesses. Almost all participants mentioned finding ways to minimize costs, including working hard and for long hours, and often doing things themselves rather than employing labor.

The time pressured implementation stage required the engagement of all forms of symbolic capital for applicants to be successful, but two dimensions of cultural capital were crucial for success. The first, entrepreneurial cultural capital, was essential to business implementation in such a short time period. If the participants had lacked the motivation or desire to problem-solve, or had wavered in their determination to overcome obstacles, then it is unlikely that they would have succeeded, regardless of their levels of human and social capital. Despite detailed planning, participants encountered unanticipated structural barriers, such as codes of compliance requirements, forcing them to constantly problem-solve. The characteristic dispositions of entrepreneurial cultural capital - self-belief, determination, optimism, adaptability, autonomy, pride in problem-solving and outgoingness - consistently emerged participants' comments on the second stage. While visible networking processes and documented business plans, budgets, services and products provide tangible evidence of social and human capital activity, intangible entrepreneurial cultural capital was the key factor critical to success. This applied to all participants, despite the diversity of their backgrounds, professions and settlement locations.

The second crucial dimension of cultural capital was affiliate cultural capital, acquired through membership of professional organizations. These ranged from organizations whose members held tertiary qualifications and were subject to codes of conduct, to more informal business arrangements. The value of affiliate cultural capital to participants was the speedy access and credibility it conferred on them post-arrival, enabling

them to cloak themselves in the integrity of an organization's reputation. Astutely exploiting their affiliate cultural capital to obtain trustworthy introductions to professional, ethnic and social networks, they implemented their purposeful, strategic networking plans. The resulting social capital enhanced participants' credibility and promoted their businesses, while enabling access to new information. Networking behavior dramatically increased at the implementation stage, reflecting systematic, instrumental networking strategies undertaken to establish credibility, promote the business cost effectively and elicit feedback.

The Consolidation/ Expansion Stage

The task faced by LTBV holders in this final stage of the entrepreneurial process was to consolidate the financial sustainability of their businesses in order to qualify for residence. An application for residence required verifiable, reliable evidence from an independent agency to show that a legally compliant business had been established, which benefited New Zealand (New Zealand Immigration Service, 2006). Passive or speculative involvement was specifically excluded, as applicants were required to be actively involved in the management and operation of their New Zealand business which they established or purchased. Reliable, independent evidence could include a certificate of incorporation, audited accounts, or GST and other tax records. Benefits to New Zealand's economic growth might include evidence of the introduction of new technology, management or technical skills, products, services, export markets or increased employment (New Zealand Immigration Service, 2006).

Over half the participants claimed to be intent on expanding their businesses. The greatest problem faced in this regard was in the recruitment and retention of suitable staff. Some participants recruited internationally to solve staffing problems. However, apart from staffing issues, few other problems arose at this stage. The participants' instrumental networking strategies initiated during the implementation stage continued during this third stage and fulfilled three purposes: to earn and retain trust and respect; to promote the business and strengthen relationships with clients; and to obtain information.

Entrepreneurial capital, evident in the earlier stages, was similarly important when participants were expanding their businesses. Once established, their characteristic self-confidence and determination motivated a search for new business challenges. Their optimism in their ability to overcome obstacles was justified as they survived and succeeded. The participants' adaptability continued to be demonstrated in their newest enterprises while maintaining their existing businesses. The participants clearly achieved the objectives of New Zealand's business immigration policy. Through their extensive deployment of human capital, plus their innovations, they contributed to creating or expanding businesses in New Zealand by introducing new technologies, expertise, international connections and creating employment. Moreover, for at least a third of the participants, international business connections were actively functioning in parallel with their LTBV enterprise.

CONCLUSIONS

This article presents a model for the successful adaptation of IIEs to their selected host country. Developed from a study of IIEs to New Zealand, the model demonstrates the forms of capital required to satisfy stringent, time-related visa conditions for IIEs who gained New Zealand residency through setting up and running a successful business. The IIE adaptation model is broken down into three fundamental stages: the preparation stage; the implementation stage; and the consolidation/expansion stage. These stages apply broadly across the entrepreneurial process regardless of the characteristics of individual entrepreneurs, the businesses in which they are involved, or whether or not they need to fulfill any specific conditions, like those pertaining to the LTBV. We have argued that the model presented can be used to analyze the successful adaptation of all successful immigrant entrepreneurs to their host country and could also be applied in contexts well beyond New Zealand to help explain successful entrepreneurship.

Several conclusions can be drawn from this study. First, that IIEs are a distinct niche category within immigrant entrepreneurship scholarship. Second, a consideration of the success of IIEs requires exploration into forms of capital beyond economic capital. In this regard Bourdieu's (1986) concept of symbolic capital is useful to encompass the range of human, cultural and social capital resources essential to IIE success. Third, the study has shown that distinctive dimensions of each form of symbolic capital are employed in different ways at different stages of the entrepreneurial process. Motivating the immigrant entrepreneurial enterprise was the participants' determined energy, representing their embodied entrepreneurial cultural capital. Self-confidence and determination came through again in the relish shown in taking up new business challenges. Their optimism in their ability to overcome obstacles was justified as they survived and succeeded. The participants' adaptability continued to be demonstrated in their newest enterprises while maintaining their existing businesses.

As a small scale case study, the research on which this article is based could be criticized for its lack of generalizability and statistical rigor. However, in-depth, post-positivist, qualitative approaches need to be considered on their own terms, rather than from an alternative epistemological position. The value of this kind of study lies in the depth of insights garnered. However, a limitation of this study is the lack of robust representation of participants for whom English is a second language. The small sample size could also be viewed as a limitation. However, with the diversity within the sample in terms of nationality, professional backgrounds, types of business and settlement locations, there was such a strong consistency in the patterns which emerged that we were assured of the robust nature of the results.

Further research on IEEs could be valuable for immigrant entrepreneurship scholarship internationally. Policy focused research could inform immigration policy. In New Zealand and elsewhere, further research into the experience of IIEs whose first language differs from that of the host country. Comparative studies of IIEs across countries seeking these immigrants would also be valuable.

IIEs are recognized as a valuable international resource to be competed for. Comprehensive knowledge of the resourcing factors influencing their successful business establishment should enable countries to target and recruit IIEs more effectively. As

effective immigration policies seek to balance global pressures of migrant numbers and international obligations against internal national economic and political demands, the results of this study may resonate in similar immigration jurisdictions.

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Authors

The contribution of co-authors is equal and can be expressed as 50% each of the authors.

Prue Cruickshank
Lecturer in Communication Studies, Unitec, Auckland, New Zealand. PhD in Sociology from Massey University, Auckland, New Zealand.

Ann Dupuis
Associate Professor of Sociology and Regional Director of the College of Humanities and Social Sciences, Massey University, Albany, New Zealand. PhD in Sociology from the University of Canterbury, Christchurch, New Zealand.

Correspondence to:
Prof. Ann Dupuis, PhD
Regional Director, College of Humanities and Social Sciences
Massey University
Private Bag 102904, North Shore
Auckland 0745, New Zealand
+64 9 4140800 ext. 43470
a.dupuis@massey.ac.nz

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Network Benefits for Ghanaian Diaspora and Returnee Entrepreneurs

Sharon Doreen Mayer, Aki Harima, Jörg Freiling

ABSTRACT

Objective: The objective of this paper is to investigate how diaspora and returnee entrepreneurs use networks in the country of origin (COO) and country of residence (COR) and which benefits they gain from such networks.

Research Design & Methods: The exploratory case study research was chosen. Face-to-face semi-structured interviews with the entrepreneurs were conducted to identify their network dynamics.

Findings: Ghanaian diaspora entrepreneurs benefit mainly from networks in the COR and Ghanaian returnee entrepreneurs from networks in the COO. These findings are not fully consistent with the assumption of previous scholars that diaspora and returnee entrepreneurs intensively use both COO and COR networks.

Implications & Recommendations: The network usage of diaspora and returnee entrepreneurs varies to a large extent depending on industry, personal background and human capital. It is necessary to research more intensively the heterogeneity within diaspora entrepreneurship.

Contribution & Value Added: This paper contributes to the development of understanding of heterogeneity in diaspora and returnee entrepreneurship. The cases present that the degree and balance of mixed embeddedness of returnee and diaspora entrepreneurs in COO and COR may differ to a large extent and they influence how they benefit from different type of networks in both countries.

Article type:	research paper
Keywords:	diaspora entrepreneurship; returnee entrepreneurship; entrepreneurial network; network benefits
JEL codes:	F22; L26; N87; O19

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INTRODUCTION

It is almost a universally accepted truth worldwide that migration is a pervasive and still up-and-coming phenomenon in societies that become more transnational. In 2010, 32.5 million foreigners lived in the EU, representing 6.5% of the total EU population and 9.4% are born abroad (Vasileva, 2011). While migration is not a new phenomenon, in most recent times, rapid technology development has increased the number of migrants worldwide and changed the nature of migration. The advancement of transportation technology has reduced barriers for people to travel between countries and innovative communication technologies enable migrants to stay in touch with their home countries (Tung, 2008). The term 'diaspora' certainly helps us in understanding this transformation in its very nature. Diaspora is a certain type of migrants and refers to the people living outside of their country of origin (COO), yet maintain strong linkages with their COO (Safran, 1991; Riddle, 2008). While 'diaspora' is a concept describing a group of people, diasporan is an individual member of a diaspora.

As a result of this societal change, migration paths are more complex than before as phenomena like 'circular migration' (Newland, 2009) or return migration (Zhao, 2002; Dustmann & Weiss, 2007) suggest. The motivation for migration has also become even more diversified than before as described in migration literature (e.g. Cohen, 2003). Therefore, it is not easy to understand diasporans' economic activities due to the inherent heterogeneity and transnational characteristics of their business, even though their entrepreneurial activities play an important role in the economy of many countries both on the micro and macro level (Aliaga-Isla & Rialp, 2012). For these reasons, there is a strong need to understand the nature and mechanism of their economic activities.

This study takes a very early step to tackle the inherent heterogeneity of diaspora entrepreneurship, to look at diaspora entrepreneurs, diasporans who conduct entrepreneurial activities in a country of residence (COR) and returnees who have spent several years outside the COO and returned to become entrepreneurs. The study aims to better understand the potential impact of entrepreneur's network dynamics in both COO and COR on their entrepreneurial activities.

We address mainly two research gaps. First, previous research has not fully investigated the difference between diaspora entrepreneurs and returnee entrepreneurs. In fact, researches on these two topics have been done rather separately. We understand the returnee entrepreneur as a certain type of diaspora entrepreneurs, as returnee entrepreneurs are subsumed under diaspora entrepreneurs, if they have not returned to COO and, therefore, should not be separately investigated. Against this background, typological issues of diaspora entrepreneurship in the previous literature are discussed in the next section. In order to understand commonalities and differences between these two types of entrepreneurs, we analyze both types by paying special attention to potential differences. Besides that, the presence of returnee entrepreneurs has been considered on the macro level mainly in the context of knowledge and technology transfer (Tung, 2008; Saxenian, 2002; Wadhwa et al., 2011) and their economic contribution to their COO (Filatotchev et al., 2009; Wang, Zweig & Lin, 2011). However, we still do not know much about their entrepreneurial activities on the micro level and their specific patterns. This study addresses this research gap by exploring the impact of networks on

their entrepreneurial activities. For these reasons, we raise the following research questions: (i) how do diaspora and returnee entrepreneurs use their networks in their COO and COR? (ii) What are the benefits of networks in their entrepreneurial activities?

In order to respond to these research questions, we developed two case studies: one with a Ghanaian diaspora entrepreneur in Germany, who immigrated to Germany and became entrepreneur, and Ghanaian returnee entrepreneur who lived in Germany and returned to Ghana to start his own business. We intentionally chose Ghana for our empirical cases, as previous research on returnee entrepreneurship has overemphasized a few COO such as India, China and Taiwan (Saxenian, 2002; Wright et al., 2008; Murphy, 1999; Liu et al., 2010). While these countries have probably benefited from resources and contributions of returnee entrepreneurs more than other countries, this phenomenon is also relevant to other countries. Moreover, we also deliberately selected entrepreneurs in the non-technology industry, as earlier literature focuses mainly on returning experts of the information and communication technology industry (Saxenian, 2002; Wright et al., 2008; Liu et al., 2010; Kenney, Breznitz & Murphree, 2013). Semi-structured interviews have been conducted and the collected data was structured and interpreted in a rather explorative way to get first impressions about the role of networks in their entrepreneurial activities.

The structure of this study is as follows. First, we present the current research status of diaspora entrepreneurship and returnee entrepreneurship as well as entrepreneurial networks. Second, we briefly develop our assumption in terms of the potential roles of networks in entrepreneurial activities of diaspora and returnee entrepreneurs. Third, the empirical approach is explained. Fourth, we present two cases. After that, we discuss findings in the light of the research questions and present our contributions as well as limitations.

LITERATURE REVIEW

Diaspora Entrepreneurship and Returnee Entrepreneurship

By now, 'diaspora' has often been treated as a synonym for the Jewish diaspora or other classical diaspora groups such as Armenians and Greeks by some dictionaries and researchers (Sheffer, 2003). Most recently, this term is used far beyond these groups. 'Diaspora' is understood as a more universal concept which describes "ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin" (Sheffer, 1986, p. 3).According to Safran (1991), the concept of diaspora is applied to groups of people being dispersed from their original homeland who are characterized by shared collective memory, vision, or myth about their COO. Diasporan refers to a member of diaspora. Diasporans have therefore a strong emotional connection to their COO (Safran, 1991). More recently, Brubaker (2005, p. 5-7) regards diasporans, based on Sheffer's (2003) definition, as people who meet the criteria of dispersion, homeland orientation and boundary maintenance.

Diasporans' economic engagement plays an important role in the world economy (Aliaga-Isla & Rialp, 2012). Statistics show that the remittances from diasporans play an essential role in the economy of COOs. In 2014, the total remittance flow was projected to reach 435 billion USD, which is 5% higher compared to 2013 (World Bank, 2014:3).

Among different types of economic engagement of diasporans, their entrepreneurial activities have attracted increasing attention from researchers as a form of alternative economic adoptions to becoming an employee of existing firms(Portes et al., 2002; Eraydin et al., 2010). Diasporans often become entrepreneurs based on different motivations. Some are more necessity-driven by difficulties in finding a job in the COR, while others recognize entrepreneurial opportunities (Chrysostome, 2010) they feel attracted by.Diaspora entrepreneurs often address unique opportunities due to their 'mixed embeddedness' in the COO and COR (Kloosterman, van der Leun & Rath, 1999.). Mixed embeddedness describes the integration of immigrant entrepreneurs who are involved not only in social networks of immigrants and COO, but also in the socio-economic and politico-institutional environment of the COR (Kloosterman & Rath, 2002). Mixed embeddedness also allows them to access diaspora resources including diaspora networks (Kuznetsov, 2006), cognitive diversity (Clydesdale, 2008) and intercultural competencies (Westwood et al., 2000).

Research on diaspora entrepreneurship is still in an infant stage. There is multitude of similar and related concepts to entrepreneurial activities of diasporans such as ethnic (minority) entrepreneurship (Zhou, 2004; Volery, 2007; Clark & Drinkwater, 2010), immigrant entrepreneurship (Rath & Kloosterman, 2000; Light, Bhachu & Karageorgis, 1993; Piperopoulos, 2010), transnational diaspora entrepreneurship (Nkongolo-Bakenda & Chrysostome, 2013; Kyle, 1999; Riddle et al., 2010) and returnee entrepreneurship (Wright et al., 2008; Filatotchev et al., 2009; Liu et al., 2010; Kenney, Breznitz & Murphree, 2013). While there have been some attempts to develop a typology of immigrants' business activities such as the ones of Landolt, Autler and Baires (1999) and Drori, Honig and Wright (2009), current research still suffers from a lack of common definitions. To avoid terminological confusions, we clarify our understanding of different conceptual categories of diaspora entrepreneurship.

Ethnic (minority) entrepreneurship and immigrant entrepreneurship are often used as synonyms and are defined as 'a set of connections and regular patterns of interaction among people sharing common national background or migration experiences' (Waldinger, Aldrich & Ward, 1990b, p. 3). This concept originates from the USA where migrants have been over-presented in the small business sector (Barret et al., 1996). According to Volery (2007, p. 31), markets with dominant ethnic entrepreneurs are characterized by 'low barriers of entry in terms of required capital and educational qualifications, small-scale production, high labor-intensity and low added value, while cutthroat competition reigns.' The motivation to become self-employed of ethnic entrepreneurs has been described mainly as necessity-driven (Volery, 2007). The concept has gradually evolved from the original stereotype of ethnic small business run by low skilled migrants towards more diversified sectors.

While the concept of ethnic and immigrant entrepreneurship focuses on the social and political positions of migrants in their host countries, the one of diaspora entrepreneurship is unique in regard of valuing diasporic characteristics such as mixed embeddedness (Kloosterman, van der Leun & Rath, 1999) and emotional connections to COO (Safran, 1991). Therefore, diaspora entrepreneurship is not limited to the first generation as ethnic and immigrant entrepreneurs but covers also the second and third generation of migrants.

Similar to the concept of diaspora entrepreneurship, there is a concept called diaspora transnational (international) entrepreneurship (Elo & Freiling, 2015; Nkongolo-Bakenda & Chrysostome, 2013; Riddle et al., 2010; Chen & Tan, 2009). Transnational entrepreneurs are defined as foreign born, self-employed persons who engage in entrepreneurial activities in which they need to travel abroad frequently and entrepreneurs' critical resources are located mainly in their COO (Portes, Guarnizo, & Haller, 2002). As visible in this definition, this concept focuses rather on transnationalism of entrepreneurial activities.

In this paper, we understand diaspora entrepreneurship based on their characteristics and emotional homeland connection without the transnational dimension applied to the above-mentioned concept of diaspora transnational entrepreneurship. Networks of diaspora transnational entrepreneurs are transnational due to the nature of their business. However, diaspora entrepreneurs without transnational economic activities may also have networks both in COO and COR due to their mixed embeddedness. For this reason, we intentionally focus on diaspora entrepreneurship as well as returnee entrepreneurship, both without the strong focus on transnational business nature.

Returnee entrepreneurship is a sub-type of diaspora entrepreneurship according to Drori, Honig and Wright(2009). In this paper, we define returnee entrepreneurs as individuals who gathered vocational or educational experiences as diasporans in developed countries before returning to their COOs to establish their own businesses. Since they belong to diasporas, they possess comparable characteristics, including mixed embeddedness and homeland orientation and resources, to diaspora entrepreneurs. Returnee entrepreneurs have considerable influence on the economy of the COO, especially from the perspective of knowledge transfer. Migrants have been associated with a loss of knowledge and skill to the COO, often perceived as a 'brain drain' (Bhagwati & Hamada, 1974, pp. 19-41). However, when these migrants return to their COO by circular migration (Venturini, 2008), they also bring back their human capital and the COO experience, which can be described as a 'brain gain' (Riddle, 2008). Saxenian (2005) retitles this phenomenon as a 'brain circulation', which has positive impacts on both COO and COR.

Drori, Honig and Wright (2009, p. 1006) define them as "scientist and engineers returning to their home country to start a venture after several years of business experience in other (developed) countries". In a similar vein, Liu et al. (2010, p. 1184) define returnees as 'scientists and engineers or students who trained or studied in OECD countries and returned to their native countries to start up a new venture or work for a local company'. As indicated in their definitions, most of the previous research in this field focuses on highly skilled returnee entrepreneurs especially in the high-tech industry from China, India and Taiwan. Their contribution to the establishment of high-tech firms and science parks in their COOs has been the focus of attention (Wright et al., 2008; Dai & Liu; 2009; Filatochev et al., 2009; Liu et al., 2010; Kenney, Breznitz & Murphree, 2013).

However, research beyond those countries and on other industries is limited, even though the phenomenon of returnee entrepreneurs is relevant far beyond. African nations, such as Ghana, are not well considered (except cf. Black et al., 2003) although playing a role in this context. In a similar vein, a returnee does not necessarily have to be a highly skilled expert to contribute to the development of his COO. Less skilled diasporans returning to their COO and becoming entrepreneurs also have an important influ-

ence on the local economy, as they bring back human capital which can be useful to the COO (Elo, 2014). They improve their human capital through their experience in a new cultural and societal environment in COR, adapting to a new culture, learning a different language and gaining knowledge in a certain industry.

According to Liu and associates (2010), returnee entrepreneurs possess unique characteristics that differentiate them from non-returnee entrepreneurs: (i) idiosyncratic human capital resources; (ii) specific social capital. First, they argue that high-skilled returnee entrepreneurs have an access to broader pools of human capital resources due to acquired academic knowledge through general education, scientific and technical training, and practical business skills. While their arguments are obviously developed for the returnees with high skills, this can be also applied to the low-skilled returnees. Even when they do not acquire academic knowledge from higher educational institutes, diasporans gather unique experience as well as knowledge through education, vocation and even private life in CORs. Through being embedded in the COR society, diasporans learn various things including language, culture, values, technology, markets and even institutions (Riddle & Brinkerhoff, 2011). Such experience during the time in the COR enriched human capital of returnee entrepreneurs. Second, Liu and associates (2010) discuss that unique social capital of returnees may develop which involves both relational and structural resources (Cooper & Yin, 2005). Since this justification does not exclude low-skilled returnees, low-skilled returnees are assumed to possess such social capital, which eventually has an impact on their business.

Considering the discussion above, this paper focuses on returnee entrepreneurs in Ghana in non-skill intensive industry for the purpose of extending the existing literature and discovering new insights from different country context. In order to research returnee entrepreneurship in a broader context, we extend the definition of Drori, Honig & Wright(2009) and define returnee entrepreneurs as diasporans leaving their COO for educational, labor and/or business opportunities, returning after several years to their COO to start a venture.

Network Theory in Entrepreneurship

According to Hoang and Antoncic (2003), who made one of the major contributions in network research in the context of entrepreneurship by their literature review, research on networks within the field of entrepreneurship emerged as an important stream in the late 1980's. Starting with Aldrich and Zimmer (1986) who argued that the embeddedness of entrepreneurs in social networks plays a critical role in the entrepreneurial process, a number of scholars agree that networks have a considerable importance to entrepreneurship (Davidsson & Honig, 2003; Hoang & Antoncic, 2003; Shane & Cable, 2002; Slotte-Kock & Coviello, 2009).

Based on their extensive literature review, Hoang and Antoncic (2003) identified three main research areas: (i) the nature of the content that is exchanged between actors; (ii) governance mechanisms in relationships; and (iii) the network structure created by the cross-cutting relationships between actors. Slotte-Koch & Coviello (2009) additionally considered the process of network within the field of entrepreneurship.

The research on network content is highly related to network benefits. Researchers have argued that the role of networks for entrepreneurs is to access both tangible and intangible resources. A few studies focused on tangible resources such as capital (Light,

1984; Zimmer & Aldrich, 1987; Chen & Tan, 2009). Byusing networks, entrepreneurs gain access to financial capital including financing by angel investors and venture capitalists (Hoang & Yi, 2015).

Previous research put stronger emphasis on intangible resources such as emotional support, which reduces entrepreneurs' perception of risk (Brüderl & Preisendörfer, 1998; Gimeno et al., 1997). Another key benefit of networks for entrepreneurs is the access to different information. Freeman (1999) argues that social ties to various actors may provide entrepreneurs with market information and the access to key talent. A number of studies confirmed that networks also help entrepreneurs to recognize entrepreneurial opportunities (Joannisson, 1990; Birley, 1985; Ozgen & Baron, 2007).

Such intangible network benefits originate from entrepreneurial role models within networks. For instance, Klyver, Hindle & Meyer, 2008) found that personal ties to entrepreneurs offer an entrepreneurial role model, which increases the probability of becoming an entrepreneur. The importance of the presence of entrepreneurial role models within networks are confirmed by other researchers as well (Hoang and Gimeno, 2010; Nocolaou & Birley, 2003).

A network has different dimensions. According to O'Donnell et al. (2002), one of the most common dimensions used for entrepreneurship research is formal and informal (social) network (Brown & Butler, 1993). The inter-organizational network describes all formal linkages, the contacts new firms are embedded in, and that define "the opportunities potentially available" and related to business organizations and maybe even non-profit organizations (Uzzi, 1996). In contrast, social networks rest on personal, not organizational relationships with the informal contacts entrepreneurs have – such as family, kinship and friends.

When investigating networks in entrepreneurship, researchers should be aware of the difference in terms of the nature of network such as size, centrality and density (Brüderl & Preisendörfer, 1996). Size and centrality display the amount of resources an entrepreneur can attain from a certain network. The density, in contrast, describes the extent to which an entrepreneur can reach new information (Hoang & Antoncic, 2003). Granovetter (1973) highlighted the role of weak ties and argues that entrepreneurs can benefit from ties that are located outside the regular contacts (weak ties). Weak ties are loose relationships between individuals which can extend networks by linking individuals and organizations. These weak ties can also function to bridge the so-called "structural holes" (Burt, 1992), which means that entrepreneurs can benefit from developing ties that bridge unconnected actors. In contrast, Coleman (1990) develops the 'network closure argument' which states that networks of strong ties enable information transfer because they prove commitment, understanding and trust. Following this reasoning, Arenius and De Clercq (2005) suggest that a 'high level of cohesion', a network of many strong ties, is effective in terms of knowledge transfer.

There are several benefits entrepreneurs can gain from their networks. One of the main benefits is an access to new information and knowledge through network, which supports their opportunity recognition (Arenius & De Clercq, 2005). Second, networks with (potential) customers and suppliers are useful to entrepreneurs in order to build reputation as well as to gain market information (Brown & Butler, 1993; Shane & Cable, 2002). Third, entrepreneurs can receive informal financial capital from network partici-

pants. Besides the economic support, networks especially with family can offer emotional support, motivation as well as unpaid labor (Brüderl & Preisendörfer, 1996).

While a few studies have been conducted on this topic in this context (Smans et al., 2014; Harima, 2014; Zhoug & Liu, 2015; Mustafa & Chen, 2010), the way how diaspora and returnee entrepreneurs use their network is still underexplored.On one side, diasporans and returnees are assumed to have an access to extensive networks both inCOOs and CORs due to their mixed embeddedness. There are, however, some studies which argue that they lose their social capital due to long absence in their COOs and therefore do not gain significant benefits from networks for their entrepreneurial activities (Wahba & Zenou, 2011).

Previous research shows different results in terms of network structure of returnee entrepreneurs. Farquharson and Pruthi (2015) find that Chinese returnee entrepreneurs greatly rely on strong ties with family and close friends back in China during the process of establishing a business and weak ties with governmental agencies in COR. There is, however, a contradictory study that claims that returnee entrepreneurs work more closely with the Chinese government and the role of friends in China is more important to local entrepreneurs than returnees (Vanhonacker, Zweig & Chung, 2005).

In the next section, we will briefly discuss the possible impact of different types of networks on diaspora and returnee entrepreneurs based on findings of previous research.

Current Research Status on Ghanaian Diaspora and Returnee Entrepreneurs

To understand the overall constellation of Ghanaian diaspora and returnee entrepreneurs, we start with general information about migration between Ghana and Germany. Ghana is one of the representative nations of diasporans and migrants living in Germany. According to statistics, Ghanaians are the largest group of migrants from Sub-Saharan Africa in Germany (Statistisches Bundesamt, 2013). Furthermore, Ghana's economy has been rapidly growing in the last years, which attracts overseas Ghanaians to return to their COO eventually to become returnee entrepreneurs.

Ghanaian diasporans have not attracted much research attention, especially in the context of entrepreneurship. There are only a few studies conducted on Ghanaian returnees, but mostly on the macro level (Nieswand, 2009; Black, King & Tiemoko, 2003; Ammassari, 2004; Black & Castaldo, 2009). We still know little about how Ghanaian diaspora and returnee entrepreneurs benefit from their networks. However, some former research contributions illuminate the situation where Ghanaian diasporans are placed. Previous research on Ghanaian returnees has mainly focused on the role of capital transfers (Black & Castaldo, 2009) and on home country contributions of high-skilled returnees (Ammassari, 2004; Avle, 2014). For instance, Avle (2014) finds that the main motivation of returnee entrepreneurs to return to Ghana is to support the development of their home country, and secondarily to benefit from economic opportunities. These findings support the findings by Riddle (2008) that returnees have strong linkages and emotional ties to the COO during the time abroad and want to support the development of their homelands with their human, social and financial capital they have gained abroad.

Networks of Ghanaian Diaspora and Returnee Entrepreneurs

In this part, we discuss from which networks Ghanaian diaspora entrepreneurs in Germany and Ghanaian returnee entrepreneurs who got back from Germany can possibly benefit in their economic activities– and how, based on the literature. The aim of this section is not to develop concrete research propositions, but rather developing our understanding of overall constellations of such entrepreneurs including country-specific conditions and environment, which is required to explore their network dynamics.

Due to the mixed embeddedness (Kloosterman, van der Leun & Rath, 1999), Ghanaian diaspora and returnee entrepreneurs are assumed to have different types of networks in Ghana and Germany. When they are first generation migrants, they are likely to still have strong ties with their family and relatives as well as friends and acquaintances in Ghana. As indicated by Wahba and Zenou (2011), they may have lost some of weak ties during the time they spent abroad. Additionally, it may also be the case that they have some formal networks such as business relationships with former employers, colleagues and some contacts with companies (suppliers or customers) when they have working experience in their COO prior to their migration to Germany. Particularly for returnee entrepreneurs, they may have some additional networks established after their return such as community with other returnees.

Many years of experience in Germany allows Ghanaian diaspora and returnee entrepreneurs to establish extensive networks there as well. They are assumed to have established informal networks such as family and relatives as well as friends and acquaintances and formal networks through vocational experience in Germany. Additionally, they are often in regular contact with the 'diaspora community' (diaspora network) in Germany. Diaspora networks can both be informal and formal. Chrysostome and Arcand (2009) also find that the Ghanaian ethnic market niche, the ethnic social network, the ethnic labor and the ethnic emotional support are significant benefits for Ghanaian diasporans. Network types of diaspora and returnee entrepreneurs are visualized in Figure 1 and Figure 2.

As for network benefits, Ghanaian diaspora and returnee entrepreneurs are assumed to be able to gain the following benefits from networks: (i) access to information and knowledge, (ii) access to customers and suppliers, (iii) reputation, (iv) access to financial support, (v) access to human resources, and (vi) emotional and motivational support.

First, they are assumed to have easier access to information and knowledge about institutions, cultural norms as well as markets of both COO and COR through their networks (Harima, 2014; Vemuri, 2014). Being familiar with a certain institutional environment and having information on the target market reduce the difficulties in operating a business, and therefore may have a positive impact on their entrepreneurial activities (Zaheer, 1995). Second, networks allow them to access potential customers in both countries. Auster and Aldrich (1984) argue that diaspora entrepreneurs often target co-ethnic customers. For instance, a Ghanaian 'Afro-Shop' in Germany, which sells Ghanaian food, products, and traditional clothing, is an example of such ethnic market niches. Third, a network can build up a sound reputation of entrepreneurs by recommendations as suggested by Shane and Cable (2002). Fourth, both diaspora and returnee entrepre-

neurs may have an access to financial resources of co-ethnics (cf. Light, 1984; Zimmer & Aldrich, 1987). Due to diasporans' emotional connection to the COO, diasporans often invest

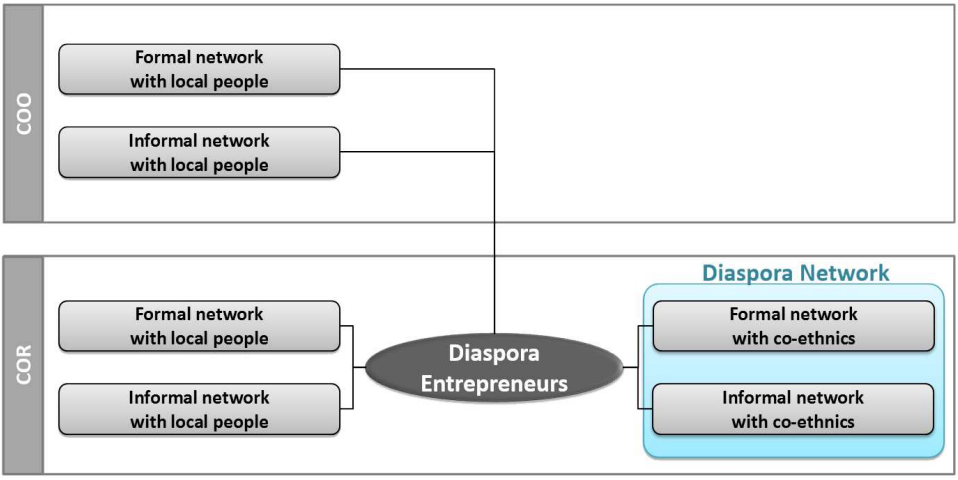

Figure 1. Networks of Diaspora Entrepreneurs
Source: own elaboration.

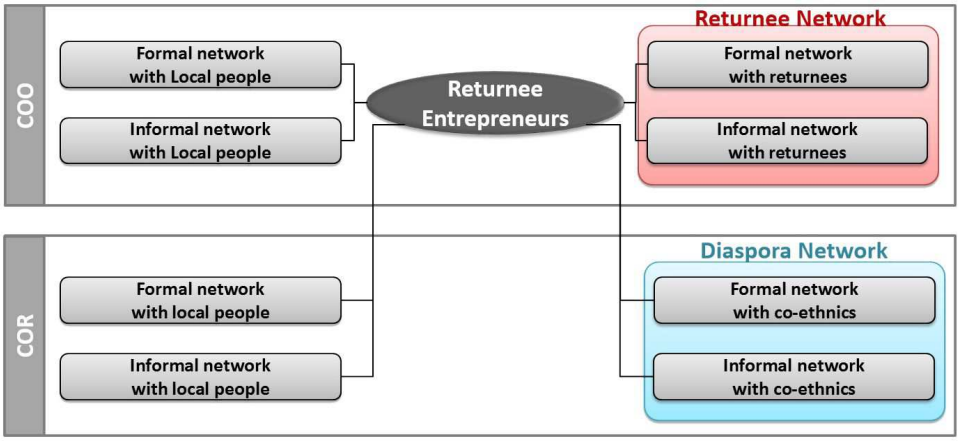

Figure 2. Networks of Returnee Entrepreneurs
Source: own elaboration.

in businesses of co-ethnics (Nielsen & Riddle, 2009; Light, Bhachu & Karageorgis, 1993; Gillespie et al., 1999). Additionally, there are many cases of diaspora entrepreneurs who finance their business through financial support from family members (Aldrich & Cliff, 2003). Fifth, especially diaspora networks can offer low-wage labor as addressed by many researchers (Evans, 1989; Aldrich, Waldinger & Ward, 1990a; Basu & Goswani, 1999; Altinay & Altinay, 2008). Such people may also offer skills specific to the ethnic groups. For the reason of solidarity with co-ethnics and/or difficulties in finding a job

outside of ethnic market niche, co-ethnics often work for low wages (Chrysostome & Arcand, 2009). As insufficient financial resource is one of the most frequently named reasons for entrepreneurial failure, reducing labor costs is assumed to be a substantial benefit to entrepreneurs. The last possible benefit is emotional and motivational support. Networks offer, for instance, successful entrepreneurial role models (Bosma et al., 2012). Furthermore, patriotic sentiment of returnee entrepreneurs is assumed to be positively related to motivation maintenance toward entrepreneurial activities.

MATERIAL AND METHODS

The aim of this study is to explore network benefits of Ghanaian diaspora and returnee entrepreneurship by answering the following two research questions: (i) how do diaspora and returnee entrepreneurs use their networks in COO and COR? (ii) What are the benefits of networks in their entrepreneurial activities?

To respond to these research questions, we employ an explorative research design that takes into account the rather early state of research in connection with the considerable complexity of the topic. Prior research informs us about first insights but does not provide causal relationships that could undergo first empirical checks. Against this background, we are in an intermediate state that could advance our knowledge by collecting more data, trying to identify structures based on a growing body of data and preparing causality checks at a later point in time. Description of the relevant phenomena and first interpretations stand at the forefront of this step of research and do not call for a case sampling logic that is needed for dealing with already formulated research propositions for the sake of pattern matching in the Hayekian (Hayek, 1967) sense (cf. Yin, 2013; Eisenhardt, 1989). Whereas, for first reality checks of causalities, four or even more cases are needed (Yin, 2013; Eisenhardt, 1989), this kind of 'early exploration' intends to benefit from understanding one case or a smaller number is useful for the first understanding (Lervik, 2011). Against this background, the question is whether to start data structuring and interpretation based on a single case or a situation with first comparisons. To gain first impressions beyond an often quite subjective single case, we chose the latter option to have the opportunity to contrast the cases without claiming for conducting a real cross-case analysis that would be more appropriate in later steps of the research process.

As for case selection, diaspora and returnee entrepreneurs are characterized by their social and cultural embeddedness in multiple contexts. Therefore, their network dynamics are highly situational and specific to the context. This study does not intend to find universal patterns in terms of network benefits, but to develop our contextual understanding of the role of networks in Ghanaian diaspora and returnee entrepreneurship.

Two cases have been carefully selected: one case with a Ghanaian diaspora entrepreneur (Entrepreneur A) and the other with Ghanaian returnee entrepreneur (Entrepreneur B). Entrepreneur A and entrepreneur B have similar backgrounds in terms of age, migration experience, and timing of starting a business. Choosing cases with comparable backgrounds allows us to control extraneous variations (Eisenhardt, 1989). The purpose is not to make a direct comparison, but to highlight situational differences between diaspora and returnee entrepreneurs (Stake, 2010). Entrepreneur B has taken over a business of his mother and became the owner of the company. Although he did

not establish the company from the scratch, he drastically renewed a number of aspects of this business, which results in transforming the original company into a new one. Insofar, B can be regarded as an entrepreneur for this study. Table 1 comprises an overview of characteristics of entrepreneur A and B.

Table 1. Profiles of Entrepreneur A and Entrepreneur B

Entrepreneur	Gender	Age	Emigration to Germany	Work experience	Company registration	Business Sector	Type of Entrepreneur
A	Male	20-55	1980-1985	10-20 years craft business	2000-2010 in Ghana	Industrial	Diaspora entrepreneur
B	Male	50-55	1980-1985	10-20 years craft business	2000-2010 in Ghana	Service	Returnee entrepreneur

Source: own elaboration.

Ghana has been chosen as a target country for this study. Ghanaian migrants show strong presence in Germany. In 2013, 24 790 persons with Ghanaian citizenship were registered in Germany (Statistisches Bundesamt, 2013), which is the largest number of migrants from Sub-Saharan Africa in Germany. The overall number of Ghanaian diasporans is assumed to be higher than official statistics as the number from Statistisches Bundesamt does not cover all of the Ghanaian diaspora in Germany and neglects, e.g., second- and third-generation Ghanaian migrants (Federal Ministry of Economic Cooperation and Development, 2009, p. 7).

Face-to-face semi-structured in-depth interviews were conducted as amethod of collecting emic knowledge of entrepreneurs in February 2015. The interview consists of three parts. The first part focuses on personal information about the interviewee and his company. The second part seeks information about the interviewee's career progression in the past. The third part explicitly deals with network benefits. For the last part, interview guideline was developed based on our assumption regarding networks of Ghanaian diaspora and returnee entrepreneurs described above. In the interview, mostly open-ended questions were used in order "to have the participant reconstruct his or her experience within the topic under study" (Seidman, 2005, p. 15).

The interviews took approximately 45 minutes and were recorded and transcribed in original language (German). Quotations used in this paper have been analogously translated by the authors. The transcripts of the interviews are analyzed in line with our assumption above. For the sake of investigator triangulation (Denzin, 1970), two authors analyzed the transcribed interview text separately in line with a priori structure developed in the previous section. Moreover, for triangulation purposes, the research team collected additional data wherever possible (e.g. field observations, documents).

Ghanaian Diaspora in Germany

Before presenting the findings, the historical background of Ghanaian diaspora is briefly outlined. This information is helpful to understand special cultural and societal settings of Ghanaian diaspora and returnee entrepreneurs. There have been many reasons for

Ghanaians to migrate to other countries: in the first half of the 20th century, Ghanaians mostly migrated to English-speaking nations for educational or business purpose. Since the mid-1960s, political and social crises forced a number of Ghanaians to emigrate. The United Kingdom, Germany, and the Netherlands became primary destinations. In the 1990s, the motive of having a better life without poverty and supporting the family back home by remittances became major reasons for migration (Federal Ministry for Economic Cooperation and Development, 2009, p. 7). Total remittances to Ghana in 2010 reached 119 million USD, 8 million USD out of this total amount was transferred from Germany. The Ghanaian diaspora has a few organized communities in Germany. Those intend connecting and supporting co-ethnics as well as preserving Ghanaian culture.

The migration relation between Ghana and Germany has recently experienced a climax. Due to the economic growth in Ghana, Ghana has now joined in the trend of receiving returnees. In 2011, Ghana's annual economic growth rate marked 15%, which is even higher than China's (Harding, 2012). Motives for returning back to Ghana are not only to "seize opportunities from booming economy" (Hirsch, 2012), but also the intention to support the COO with the acquired skills as returning experts (cf. Ammassari, 2004; Avle, 2014). The significance of returnee entrepreneurs has also been recognized by policy-makers in Ghana. The Ghanaian government collaborates with the German government to support the knowledge transfer back to Ghana in official projects (CIM-Centre for International Migration and Development, 2015).

Data Collection and Interpretation

Entrepreneur A – Ghanaian Diaspora Entrepreneur in Germany

Entrepreneur A is 54 years old and emigrated from Ghana to Germany in 1985 at the age of 24 due to the political turmoil in his home country. He finished his high school with the focus on economics in Ghana. In 1990, he started working in an automobile factory and became shift foreman soon after. Due to his responsibilities and labor-intensive daily work, entrepreneur A decided to become an entrepreneur. In the first three years, he was preparing for the establishment of his own cleaning company, while he still worked as a full-time employee of the factory. In 2003, he registered his company at the local chamber of commerce in Eastern Germany together with his wife. His company had 13 employees at the time the interview was conducted. The maximum number of employees was about 40 when the business was most successful.

Entrepreneur A already accumulated human capital resting on high-school education in Ghana and 17 years of work experience in Germany including management experience as shift foreman in the factory before he started his own business. His business was strongly backed up by his family and close friends in Germany who supported him both emotionally and practically. For instance, entrepreneur A's son developed a design for his business cards. His Ghanaian wife and daughter emotionally supported him. His German close friends played significant roles as well by offering advice and ideas for his business. Entrepreneur A also had certain connections with former colleagues, friends and acquaintances. This network can be described as weak ties, as he did not interact with them on a regular basis. These people sometimes provided business opportunities through recommendations. Besides that, entrepreneur A had a broad client network, some of which provided him with locations and opportunities where he could promote

his business and seek for new business opportunities. These clients also actively recommended his business to others. Entrepreneur A perceives this network as very important to his business, since he values honesty in his business and, therefore, relies on a word-of-mouth marketing of satisfied customers.

Notably, entrepreneur A is the chairman of a Ghanaian diaspora association (founded in 1994) in a city where he lives in Germany. This network aims to preserve Ghanaian culture and language and has also contacts with other Ghanaian diaspora networks all over Europe. About 100 members belong to this association. These members support each other not only on the business level, but also on the private level. There are monthly meetings where many (60-70 on average) of the members get together. Being the chairman of this network allows him to have relationships with a number of Ghanaian diasporans in the region. Entrepreneur A hired several people from this network, who were seeking for a job. Entrepreneur A has relations with Ghanaian diasporans in other European countries such as France and the Netherlands, since there are meetings for Ghanaian diaspora associations from different countries. Such meetings with Ghanaian diasporans in Europe energize and motivate him to conduct his business further.

His network in Ghana is limited only to informal contacts with his family and friends. Entrepreneur A described that they did not have any impact on his business in Germany, even though he regularly visits them in Ghana. Only very close friends know what Entrepreneur A is doing in Germany.

Entrepreneur B – Ghanaian Returnee Entrepreneur Back in Ghana

Entrepreneur B is 53 years old and immigrated to Germany in 1984 after finishing his lower secondary education and working as a repairman in Ghana. Entrepreneur B chose Germany as he got a job offer from his relative to work in his restaurant. In 1987, entrepreneur B started working for a shipyard company. Since then, he had worked there for 20 years until the company went bankrupt. The bankruptcy of this firm was a turning point in his life. Actually, Entrepreneur B has supported his mother's business in Ghana with his knowledge and tried in vain to establish an export business to Ghana - before he started his current business. In other words, he gathered somehow entrepreneurial experience while he was working for the shipyard company in Germany. Then he recognized a business opportunity through a conversation with a former co-worker, which made him decide to return to Ghana to start his own business.

After returning back to Ghana, he took over a bakery of his mother and started radically re-organizing her business. He knew the business well, as he had already been supporting his mother with his knowledge from Germany. He renovated workflows and restructured the value-added process by providing new machines. This change enabled an innovation to an old small bakery. The company was registered in 2007, under entrepreneur B's name. Currently, 15 employees are working for his company. This company is not a family firm, since Entrepreneur B was the only one within his family who was involved in business and invested substantial amount of money. His siblings are not involved in this business. His 82-year-old mother emotionally supports him.

Lower secondary school education, 20 years of work experience in Germany and industry-specific experience by learning from his mother in his early age built up Entrepreneur B's human capital, which is accompanied by his social capital. Entrepreneur B does not have many close friends both in Ghana and in Germany. He has two to three close

friends in each country with whom he can share any of his problems. In Germany, entrepreneur B has an intensive network with his family (including his German wife). These strong ties supported him emotionally and also practically in his business, as they help him on both private and business levels whenever he has problems. Moreover, entrepreneur B has not actively participated in any co-ethnic networks.

Currently, entrepreneur B is in a difficult situation. He is pulled in two different directions: one from Ghana by his elderly mother and the other is from Germany – from his German wife who does not consider moving to Ghana in any case and does not support his return to his COO. The current solution for this problematic situation is that entrepreneur B spends a year working in Ghana and then visits Germany for two months to see his wife and then returns again to Ghana for a year.

Entrepreneur B described his former colleagues and friends as weak ties who do not have influence on his venture, but taught him work practices and wisdom, which indirectly influenced the way he manages his business. In particular, values of 'German' punctuality, cooperativeness and accuracy that he learned from Germany, distinguish his company from other local Ghanaian firms in a positive manner, which is described as 'social remittances' in the literature (Levitt, 1998). His core Ghanaian network is with his mother, who supports him emotionally with her knowledge and labor. He also has an access to formal networks such as customers, employees and retailers. Some steady customers build a weak tie of his network and indirectly support his business with their feedback to improve his goods. His employees are trained to work with German standards and qualities such as punctuality and cooperativeness, which make them core resource of his company. His employees seemed to play a significant role in his business with their know-how and skills. Interestingly enough, Entrepreneur B also receives motivational support from retailers, who always admire the way he is managing his business. Entrepreneur B also still knows many people in Ghana, among them also some other returnees, but he describes them as acquaintances who have no influence on his venture.

Entrepreneur B is not a person who proactively establishes networks. He believes in his own personal ability and does not invest much time and efforts in establishing and maintaining networks unlike entrepreneur A.

Network Benefits for Diaspora and Returnee Entrepreneurs

Based on our discussion on network dynamics of diaspora and returnee entrepreneurs depicted in Figure 1 and Figure 2, findings are systematically analyzed in line with six main benefits from networks discussed in the previous section: (i) access to information and knowledge; (ii) access to customers and suppliers; (iii) reputation; (iv) access to low cost labor; (vi) emotional and motivational support.

Entrepreneur A, a Ghanaian diaspora entrepreneur, has an access to three different types of networks in Germany: (i) formal networks; (ii) informal networks; (iii) diaspora network. First, the formal network of entrepreneur A with former colleagues and clients is described as weak. However, this network offers significant support. Former colleagues and current clients support his business by giving him opportunities and locations to advertise his business. Entrepreneur A heavily relies on a word-of-mouth marketing to acquire new clients, which helped establishing a good reputation of his business.

The informal network of entrepreneur A in the COR consists of his Ghanaian wife and children as well as of a few close German friends. They support entrepreneur A both emotionally and practically. He shares problems in his business with them and asks them for advice. For instance, his son helped his business on an operational level by designing his business card. Through this informal network in the COR, entrepreneur A has an access to tacit knowledge and expertise required to conduct his business.

Entrepreneur A's network is characterized by close connection to Ghanaian diaspora networks in Germany and in Europe. As a representative of a regional Ghanaian diaspora association, he is in regular contact with a number of Ghanaian diasporans living in his city. Moreover, he meets Ghanaian diasporans in neighboring countries at supra-regional diaspora meetings. Regular meetings with co-ethnics provide him with energy and motivation to make his business successful and to become a role model for Ghanaian diasporans in Germany. This network gives him also access to co-ethnic labor. In fact, he hired several co-ethnics from this network. However, the case does not indicate that the motivation to hire co-ethnics from the diaspora network is wage-related (Chrysostome & Arcand, 2009). His primary motivation to hire them is to help them find a job. Co-ethnic employees have advantages in contrast with local employees, since "authority can be secured on the basis of personal loyalties and ethnic allegiance" (Aldrich, Waldinger & Ward,1990b: 38).

While it has been 30 years since he left Ghana, he still has regular contacts with his family and close friends. Entrepreneur A visits them on a regular basis. In line with the findings by Farquharson and Pruthi (2015), entrepreneur A has lost his weak ties in the COO due to his absence for 30 years. When sharing problems connected with his business, entrepreneur A feels strong emotional support from this network that maintains his motivation to continue his business. The network benefits of entrepreneur A are summarized in Figure 3.

	Network Type	Members of Network	Nature	(i) Access to information and knowledge	(ii) Access to customers and suppliers	(iii) Reputation	(iv) Access to financial support	(v) Access to low cost labor	(vi) Emotional and motivational support
COR	Formal network	Former colleagues, clients	Weak		○	○			
	Informal network	Family and friends	Strong	○					○
	Diaspora network	Ghanaian network which preserves culture and language	Strong/ Weak		○	○		○	
COO	Formal network								
	Informal network	Family and friends	Strong						○
	Returnee network								

Figure 3. Network Benefits for Entrepreneur A (Diaspora Entrepreneur)
Source: own elaboration.

Unlike entrepreneur A, entrepreneur B as a Ghanaian returnee entrepreneur does not have extensive networks in the COR. Even though he worked at a German company for more than 20 years, formal networks with his previous colleagues do not play any significant role in his business. This may be explained by the nature of his business. Entrepreneur B conducts his business for Ghanaian people in Ghana. Therefore, German colleagues and acquaintances could not possibly support his business mostly due to the geographical distance. Since formal networks with his former colleagues were based on weak ties, he could not maintain these relationships after he decided to return to Ghana.

Entrepreneur B has strong ties with his German wife and children as well as a few close German friends in the COR. He visits Germany to maintain these relationships for two months a year. While they offer emotional and motivational support to entrepreneur B to a certain extent, his German wife does not fully support his business activities due to his long absence.

Entrepreneur B's networks in the COO, both formal and informal, have strong influence on his business activities. Unlike our anticipations, he is not in regular contact with other returnees. Therefore, the case does not support the role of returnee networks in the COO. As for formal networks, he has relations with customers, employees and retailers. His customers provide him with insightful feedback information on his products. Retailers play also a significant role in his business. Since they are convinced of the quality of his products and his way of doing business, they recommended his products to other people and maintain his entrepreneurial motivation by their complements. His COO informal network consists of his family, especially his mother, who supports him both emotionally and practically with her industrial knowledge and know-how based on many years of experience in the same sector. Network benefits for entrepreneur B are summarized in Figure 4.

	Network Type	Members of Network	Nature	(i) Access to information and knowledge	(ii) Access to customers and suppliers	(iii) Reputation	(iv) Access to financial support	(v) Access to low cost labor	(vi) Emotional and motivational support
COR	Formal network								
	Informal network	Family and friends	Strong						○
	Diaspora network								
COO	Formal network	Retailers, customers, employees	Rather strong	○	○	○			○
	Informal network	Family	Strong	○					○
	Returnee network	Acquaintances	Weak						

Figure 4. Network Benefits for Entrepreneur B
Source: own elaboration.

RESULTS AND DISCUSSION

The case studies highlight several novel aspects of network benefits in the context of diaspora and returnee entrepreneurship.

First of all, two cases highlight the impact of degree of embeddedness on entrepreneurs' networks. Entrepreneur A has benefits mainly from his COR network and entrepreneur B from his COO network. While there is a general assumption that diaspora and returnee entrepreneurs may gain benefits from their mixed embeddedness (Kloosterman, van der Leun & Rath, 1999.) which is assumed to offer diversified networks both in COO and COR, little is known about how various factors influence the actual network usage of such entrepreneurs. Some of previous researchers argue that the times in which entrepreneurs are absent have an impact on available networks in the country (Wahba & Zenou, 2011; Farquharson & Pruthi, 2015). The findings of the case studies above are consistent with their reasoning. Entrepreneur A has lost weak ties in the COO due to not spending enoughtime in Ghana over many years, while entrepreneur B has lost weak ties in the COR after returning back to Ghana. Despite of regular travels between COOs and CORs, a long absence from a country seems to be related to the loss of weak ties.

Another dimension which may have an impact on the network structure of diaspora and returnee entrepreneurs is the nature of business. On one side, diasporans' transnational entrepreneurial activities in the context of international trade have attracted much research attention in the previous literature (Cohen, 2008; Kyle, 1999; Sequeira, Carr & Rasheed, 2009). The diasporans and returnees who engage in such transnational ventures may rely on networks in both the COO and the COR, as their business activities are closely related to actors on both sides. On the other side, entrepreneurship within ethnic enclaves has been studied as typical economic activities of diasporans (Salaff et al., 2003; Ndofor & Priem, 2011). Those involved in enclave entrepreneurial activities have intensive networks within the enclave. Both of the two presented cases, however, can be classified neither as transnational entrepreneurship nor as ethnic enclave entrepreneurship. Entrepreneur A offers his services to the local population in the COR and entrepreneur B offers his products to the local population in the COO. Their economic activities are neither transnational nor limited to the ethnic enclave. The nature and structure of business influence the way entrepreneurs use different types of networks.

One additional point in this regard is the difficulty of maintaining networks in two different countries. Even though diaspora and returnee entrepreneurs are embedded in two different societal and cultural constellations, it does not automatically mean that they have similarly broad and strong networks in both countries. Entrepreneur B's case shows some evidence. Although a year ago he spent two months in Germany, this time was mostly used for spending time with his family and with very close friends. He did not have sufficient time to maintain relationships with others, such as weak ties like his formal networks from his previous vocation. As a result, he lost many relationships in Germany due to his transnational living style. Their physical absence from one country naturally leads to a tenuous relation with people there. This weakens the argumentation by Tung (2008) that diasporans can now easily maintain their relations despite great distance due to the technological development in transportation and communication sec-

tors. It can be rather specific to Ghana, where digital communication is not as common as in Western countries.

One of other significant similarities between diaspora and returnee entrepreneurs is strong emotional and motivational support by informal networks. They receive strong emotional support from their family and close friends in both the COO and COR. Family ties are often strong ties by nature. Therefore, they will not be lost despite of diasporans' physical absence. One exception is the situation, entrepreneur B faced when his entrepreneurial activities as returnee in Ghana were not supported by his German wife. This situation reveals a dimension which has not been considered in the previous research on diaspora and returnee entrepreneurship. Previous studies have highlighted strong support from families for entrepreneurial activities by diasporans and returnees. This assumption may be correct when they are married within the same ethnic group. However, this looks different in case of international and interethnic marriages. Family members can be unsupportive when they are not flexible in terms of locations. In a similar vein, some studies suggest that second- or third-generation immigrants have a reluctance to connect themselves to their homeland, which could cause inflexibility of location choice. As international marriages increase and the number of diaspora and returnees whose spouses have other ethnic backgrounds also increases, it is necessary to consider the influence of locational inflexibility of entrepreneurs and their family members on diaspora and returnee entrepreneurship in future research.

Moreover, entrepreneur A and entrepreneur B have a commonality that they both do not use their network as a means of accessing financial resources. Both interviewees operate their business in rather simple constellations where large amounts of seed or earlier stage capitals are not required. As discussed in the previous chapter, prior literature predominantly focused on the economic contribution of high-skilled diasporans and returnees (Filatotchev et al., 2009; Wang, Zweig & Lin, 2011). Therefore, networks have been seen as a potentially important financial source. Both entrepreneur A and B are not high-skilled diasporans and their businesses are also not related to technologies. It may indicate that diasporan's educational background as well as the technology orientation of his or her business have impact on their intention to use networks for financial source.

Both cases highlight the impact of mixed embeddedness (Kloosterman, van der Leun & Rath, 1999) on entrepreneurial activities of both diaspora and returnee entrepreneurs. While the mixed embeddedness does not necessarily facilitate networks in both of the two countries due to the difficulty in maintaining geographically distanced networks, both of the interviewees showed their unique individual human capitals as essential factors for their business (Black, King & Tiemoko, 2003). Entrepreneur A's sincere efforts to maintain Ghanaian culture and language as a chairman of Ghanaian diaspora network in Germany moved network members to help his business to a large extent. Entrepreneur B has learnt punctuality and hardwork when he worked in Germany. He trained his local employees to be punctual and thrive on high-quality of products, which won the trust of retailers and suppliers who supported him in different manners. Through living in a totally different context from COO, diasporans may develop their individual human capitals. The above cases show that this human capital is a requirement for them to make effective use of networks.

CONCLUSIONS

This paper investigates how diaspora and returnee entrepreneurs use their networks in COO and COR. In order to answer the research questions, one case study with Ghanaian diaspora entrepreneur in Germany and the other with Ghanaian returnee entrepreneur from Germany were conducted by focusing on network benefits. We intentionally selected entrepreneurs who are not high-skilled migrants and who do not conduct their business in the high-tech industry so that this paper can extend previous literature on returnee entrepreneurship, which overemphasized such specific types of migrants.

This paper offers first implications of network benefits for diaspora and returnee entrepreneurs. The case findings show that diaspora and returnee entrepreneurs may rely on networks in COO and COR with different degrees of intensity. This difference may be caused by the structure of business and the absence/presence of entrepreneurs from/in the country. First, diaspora entrepreneurs whose business has no transnational dimension, networks in the country where they conduct business are more significant than the ones in the other country. Second, physical absence from a certain country may lead to the severance of some relations. Also, we found out that family members are not necessarily supportive of diasporans' entrepreneurial activities in case of international marriage.

We are aware of limitations of this paper. First, two cases are rather not sufficient to conduct a comparative study to find certain patterns. Therefore, this paper could not reduce the bias of investigators. In future research, more case studies should be conducted to consider additional dimensions such as educational backgrounds and industrial variations. In the long run, qualitative approaches should be conducted to take a first step to generalize findings. Second, time dimension is not considered for this study. Entrepreneurship is a process (Santarelli & Vivarelli, 2007), which consists of different time dimensions. Entrepreneurs may gain benefits from different types of networks in different phases (Birley, 1986).

Despite these limitations, this study makes some contributions to the current state of research. First, we bring new insights to returnee entrepreneurship literature by focusing on an ethnic group different from the main previous research which has predominantly focused on Chinese, Taiwanese and Indian diasporans. Second, investigating entrepreneurial activities by migrants who are not highly skilled highlights the significance of their economic activities, which has been overlooked by previous research. In fact, our case studies show that a Ghanaian returnee entrepreneur became successful in his business back home through transferring knowledge, culture and institutions from Germany ('social remittance'). This action changed working attitudes of his employees and the way he does business is acknowledged by local business partners. Third, this study tackles the heterogeneity within diaspora entrepreneurship. Diaspora entrepreneurship consists of sub-divided types including returnee entrepreneurs, transnational entrepreneurs and ethnic entrepreneurs (Drori, Honig & Wright, 2009). However, previous studies have mostly compared diaspora entrepreneurs with local ones and did not attempt to explore the differences between sub-categories of diaspora entrepreneurs. This study compares a diaspora entrepreneur and a returnee entrepreneur to see how they are similar and different from each other.

Based on the current situation and our findings, we suggest that future research shed more light on the diversity within diaspora entrepreneurship in order to develop more understanding on the micro-level. Additionally, cross-country studies are a meaningful method to consider country variation, as the phenomenon of diaspora and returnee entrepreneurship is deeply embedded in COR and COR.

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Authors

S.D. Mayer was responsible for collecting empirical data and developing initial conceptual framework, while A. Harima and J. Freiling made contributions to further development of conceptual framework as well as interpreting collected data.

Sharon Doreen Mayer
Bachelor of Business Administration (University of Bremen, Germany).

Aki Harima
Bachelor of Business Administration (Kobe University, Japan); Master in Management (University of Mannheim, Germany); PhD candidate and research assistant at the Chair in Small Business & Entrepreneurship (LEMEX), Faculty in Business Studies & Economics (University of Bremen, Germany).

Jörg Freiling
Professor of the University of Bremen (Germany) and Head of the Chair in Small Business & Entrepreneurship (LEMEX). Diploma in Business & Economics (Ruhr University of Bochum, Germany); PhD at the Faculty of Business & Economics (Ruhr University of Bochum); Habilitation (Ruhr University of Bochum)

Correspondence to:
Aki Harima
University of Bremen
Faculty of Business Studies and Economics,
Wilhelm-Herbst-Straße 5, 28359 Bremen, Germany
harima@uni-bremen.de

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The Role of Public–Third Sector Relationships in Solving Social Issues: the Case of One-Stop-Shop Service for the Promotion of Female Immigrant Entrepreneurship in Montreal

Sylvie Paré, Ralph Christian Maloumby-Baka

ABSTRACT

Objective: This exploratory paper specifically examines a case of public–third sector relationships, Montreal's CEMFII, within the most consolidated relation types to highlight what characteristics match with it and what do not match.

Research Design & Methods: An extensive review of the literature on the relationship between the State and the third sector was performed in order to develop a model of such relationships and stress their principal characteristics.

Findings: It is suggested that the development of a One-Stop-Shop service could remedy some of the difficulties female immigrants face when attempting to develop businesses. The paper also argues that the CEMFII, as a product of the 'State – third sector' interactions, has been risky and complicated.

Implications & Recommendations: It might be useful that the third sector organisations acquire a financial autonomy to diminish their dependency on the public funds, which is subject to political leadership changes, and to guarantee the sustainability of the project.

Contribution & Value Added: The uniqueness of this work lies in applying general frameworks of 'public – third sector' relations to a specific case within a specific urban socioeconomic context, where the effects of political leadership changes can be clearly viewed.

Article type:	research paper
Keywords:	non-profit Institutions; contracting out; government owned; third sector; state; female immigrant entrepreneurship; Montreal
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INTRODUCTION

As part of the continuing process of global urbanisation (Sassen, 1991, 2006), the proportion of immigrants continues to increase in industrialised countries of the OECD area. Their presence in cities, where they choose to settle for the opportunities available in urban areas (Bernard, 2008; Waldinger, 1989), leads to new challenges for cities, which daily deal with issues related to immigrants' socioeconomic integration (Ambrosini & Bacagni, 2015). One of the ways through which immigrants integrate in their host country is entrepreneurship, generally implemented with the financial and social resources to which they have access through their ethnic networks (Butler & Greene, 1997; Paré, 2008). The created enterprises, be they ethnic, i.e. when products traded are characterized by a significant ethno-cultural traits, or not ethnic, i.e. when products traded do not have such characteristics (Chrysostome & Arcand, 2009; Greene & Owen, 2004; Pécoud, 2010; Waldinger et al., 1990; Zhou, 2007), are then the result of the interaction that takes place between, on the one hand, socio-cultural characteristics of immigrants and, on the other hand, opportunity structures that involve social, cultural, economic and political institutions – mixed embeddedness[1] – and spheres of their host society (Kloosterman & Rath, 2001; Kloosterman, Van der Leun & Rath, 1999; Waldinger et al., 1990).

Since immigrants exercise no control on such opportunity structures, which may be more determinant than their socio-cultural characteristics in their decision to run a business (Rath, 2000), it is crucial that public policies implemented to support immigrant entrepreneurs be efficient, especially when those entrepreneurs are women. Indeed, evidence has shown that the intersection between their immigrant origin and their gender[2] make female immigrant entrepreneurs generally more disadvantaged than male immigrant entrepreneurs (Abu-Asbah & Heilbrunn, 2011; Paré, 2008). It is often when they start up a business that they have difficult access to funding and reduced start-up capital(Abu-Asbah & Heilbrunn, 2011; Baycan-Levent, Masurel, & Nijkamp, 2003; Heilman & Chen, 2003). In such context, many cities, including Montreal, are still searching for a set of policies and procedures to adequately respond to the needs of immigrants, in general, and female immigrants, in particular, who desire to start a business. Building and implementing such policies and procedures has become even more crucial, as research has documented existence of opportunity for the creation of enterprises by female immigrants along with the many obstacles which women face in planning, starting-up and following-through of the business development process (Abu-Asbah & Heilbrunn, 2011; Baycan-Levent, Masurel, & Nijkamp, 2003, 2009; Paré, 2008).

To respond to such shortcomings, over the past several years in the Province of Quebec, some 'State – third sector' relations have arisen to provide a better socio-economic integration of immigrants. In particular, in Montreal, most of those 'State –

[1] For more details about the concept of mixed embeddedness, see Kloosterman and Rath (2001) and Kloosterman, Van der Leun and Rath (1999).

[2] In social sciences, and in the feminist studies, in particular, this is defined within the concept of *intersectionality*. Generally speaking, the *intersectionality* refers to how multiple social constructions, such as gender, education, social class, race, immigrant or citizen status, religion, etc., influences human (Collins, 1986, 1990; Crenshaw, 1989, 1991).

third sector' relations have been made within the Montreal Region Action Plan on immigration, integration and intercultural relations (PARMI).[3] Initiated in 2006 by the Government of Quebec through a special administrative and governance body, i.e. the *Regional Conference of Representatives* (CRÉ),[4] this ambitious multi-year framework aimed to implement actions to promote the integration of immigrants and support ethnocultural diversity in Montreal Region (CRÉ de Montréal, 2012). Projects of the PARMI on integration through entrepreneurship, with no specific emphasis on women immigrants, include 'Entreprendre ici'. This is an action launched in 2013 for a 3-year period (2014-2016) which involves a partnership of 22 public and third sector actors that work together to provide services to current and would-be entrepreneurs to identify business projects, provide the necessary technical support and help raise funding for start-up capital and growth (Ville de Montréal, 2015). In addition, projects that specifically support the integration of female immigrants through entrepreneurship are 'Coopérative entreprise partagée' and the *Montreal Coordinating Committee for Female Immigrant Entrepreneurs* (CEMFII).[5] 'Coopérative entreprise partagée', launched in 2012 for a 3-year period by the CRÉ, the Quebec's Ministry of Immigration and Cultural Communities, and the Cooperative of Regional Development Montreal-Laval (CDRML),[6] aimed to make female immigrant entrepreneurs share their experience within the framework of a common 'shared cooperative enterprise'. That is, by adhering to that cooperative model, entrepreneurs would have access to professional services, such as marketing, accounting, legal services, that they would not have access to otherwise (CRÉ de Montreal, 2011).

MATERIAL AND METHODS

This exploratory paper deals with the CEMFII, a network of six entrepreneurial support organisations launched in the autumn of 2011 by the Government of Quebec through the CRÉ, with the objective to create a One-Stop-Shop service specifically for female immigrants willing to start a business. The project is part of the administrative agreement between the Quebec's Ministry of Culture, Communications and the Condition of Women (MCCCF)[7] and the CRÉ with respect to the economic equality between women and men in Montreal Region (CRÉ) and is of particular interest for two main reasons. Firstly, on the contrary of the PARMI's actions just cited, it is the only that pursued specifically the promotion of female immigrant entrepreneurship. Secondly, to reach its scope, it has involved only specialised agencies in the management of immigration and diversity, the promotion of the female, and the fight against poverty and exclusion (CRÉ de Montréal, 2011), and which has developed their expertise by working in the field for up-to 30 years. These reasons make the CEMFII a valuable case to explore. This paper

[3] Plan d'action de la région en matière d'immigration, d'intégration et des relations interculturelles (PARMI).

[4] The Regional Conference of Representatives (*Conférence régionale des élus* – CRÉ) is an administrative unit in the Quebec province governance. They primarily act as advisor to the Government of Quebec on the development of their respective regions and implement specific projects assigned by the government. To do so, they work with several political and socioeconomic partners of the regions that they cover. The Quebec Province is divided into 21 CRÉs, as follows: one by administrative region, except for Montérégie and Nord-du-Québec, which have three each.

[5] Continuum entrepreneuriat Montréal pour femmes issues de l'immigration (CEMFII).

[6] Coopérative de développement régional Montréal-Laval (CDRML).

[7] Ministère de la Culture, des Communications et de la Condition féminine (MCCCF).

addresses the question of the effectiveness of this coordinating committee and suggests that the development of a One-Stop-Shop service could remedy some of the difficulties female immigrants face when attempting to develop businesses. Indeed, in the framework of developing new organisational know-how to guarantee entrepreneurs' success, the objectives of the CEMFII were to favour their access to - conventional and alternative - start-up capital, to favour their access to services tailored to their immigration characteristics, to offer network activities where they may share expertise and business opportunities, and to offer personalised mentoring to entrepreneurs (CRÉ de Montréal, 2011). However, it argues that, just like any 'public – no public' relation, the creation and development of the CEMFII, as a product of the 'State – third sector' interactions, has been both risky and complicated (Cairns & Harris, 2011; Gazley & Brudney, 2007; Jones, 2007; Salamon, 2002; Van Slyke, 2007), because of its top-down approach and the crucial role of the state in financing it. These factors may hamper its mission and make it unable to reach its objectives effectively. In this paper, we first review the main literature on the relationship between the State and the third sector, to model such relations and highlight their characteristics, as well as review the literature on female immigrant entrepreneurship. We then make an effort to place the CEMFII, the One-Stop-Shop for female immigrants willing to start business enterprises, within the more consolidated relation forms to see how their pros and cons apply.

LITERATURE REVIEW AND THEORY DEVELOPMENT

Relations Between the State and the third Sector

The relations between the State and the third sector organisations have been explored by a number of recent studies (Brown & Troutt, 2004; Proulx, Bourque, & Savard, 2007; Salamon, 2010; Seitadini & Lindgreen, 2010). This is in part due to the increasingly important role played by the third sector in the developing global economy. For example, a recent survey by the Johns Hopkins Comparative Nonprofit Sector Projecton 40 countries revealed that the third sector represents a 2.2 trillion USD industry (Salamon, 2010). In 2007, in Canada the third sector contribution was estimated at 35.6 billion USD, i.e. 2.5% of the Gross Domestic Product (GDP). On the funding side, Canadian government grants are the second most important source of funding for third-sector organizations (15.3 billion CAD in 2007), surpassed only by income generated by the sales of commodities and services (Statistique Canada, 2009).

The financial participation of the State in third sector activities contributes to create, amongst others, complex relations between the State and the third sector (Salamon, 1987). Such relations are both complicated and risky (Cairns & Harris, 2011; Gazley & Brudney, 2007; Jones, 2007), especially when they become more formal, for example through specific contractual agreements (Hassel, 1997; Salamon, 2002; Smith & Lipsky, 1993; Takahashi & Smutni, 2002; Van Slyke, 2007). Indeed, since public funds are granted for the organizations to carry out ad-hoc mandates, the State usually requires third sector grantees to monitor the use of such resources and provide a high level of accountability. Such requirements inevitably make the relationship progressively more intense and complex amongst the actors involved (Agranoff & McGuire, 2003; Banting, 2000;

Boris, Kingston & Steuerle, 2006; Brinkerhoff & Brinkerhoff, 2002; Salamon, 2010; Steinberg & Powell, 2006).

On the one hand, some third-sector organisations see the intensification of their relations with the State as a source of frustration and of possible threat to their autonomy (Salamon, 1987). According to the author, these organisations may drift toward becoming agencies of the State because their existence largely depends on the public funds. This puts them in a subordinate position that may hamper their role of catalyst for social innovation and transformations. Such relations may even denaturalize third-sector organisations, as, in order to receive the necessary funds to their continued existence, they are frequently compelled to accept conditions imposed by the State which may move them away from their original mission. Moreover, relations between third-sector organisations and the State may engender both the bureaucratization of the business enterprise and the administrative burden required in order to satisfy the performance and evaluation requirements imposed by the State, such as the production of progress and final reports (Brinkerhoff, 2002; Gazley & Brudney, 2007; Shaw, 2003; Van Slyke, 2007; Walden, 2006). Likewise, a sustainability issue may arise when, because of the limited time frame for which the funds are granted, for example one year or two years, many organisations are unable to implement middle to long range planning, leading to short term activities which may prove dysfunctional in the longer run. The uncertainty of the availability of future funding, for example in case of changes in political leadership, may further complicate any longer term forecast (Salamon, 2006; Smith & Lipsky, 1993).

On the other hand, the State also faces difficulties when dealing with third-sector organizations (Salamon, 1987). First, the State's demand for the highest ethical standards, transparency and accountability by the third-sector organisations in their management of State-provided funds is often difficult to measure and apply. This watchdog behaviour by the State, to avoid any fraud, waste and abuse or diversion of public funds into private interests, causes conflicts with the third-sector organisations, which may experience a certain lack of freedom in the carrying out of their activities (Gazley & Brudney, 2007; Hassel, 1997; Van Slyke, 2007). This may have the long-term effect of discouraging third-sector organisations from collaborating with the State, as they may no longer see such activity as sufficiently advantageous (Gidron, Kramer & Salamon, 1992; Salamon, 2006). The issue of the control by the State versus the need for autonomy of third-sector organisations impedes the possibility of an effective partnership between the actors (Brinkerhoff, 2002). Another issue is the very short time frame within which the State implements public policies and programmes, for example when funding or mandates are hastily granted on the basis of incomplete information or without the overall review of each potential service provider. To resolve such issues, third-sector organisations may expect to take part into the development of public policies. Unfortunately, public agencies are rarely prepared for such requests and even less prepared to accept them (Smith, 2010). As a result, the relations between the State and third-sector organisations are generally characterised by mutual mistrust and misunderstanding (Gazley & Brudney, 2007).

The 'State - third sector' relations have also a positive side. Indeed, in the context of neoliberal policies characterized, amongst others, by reduced public interventions and thus by a progressive shift of the control of the economy from the State to the private

sector (Cohen, 2007), justified by the rationale that this will provide more efficient products and improve the economy (Prasad, 2006), partnerships between the State an third sector organisations and amongst third sector organisations are even promoted both by supra-national institutions, i.e. the European Union, and by single countries (OECD, 2006; 2012; Osborne, 2008). Moreover, because of its deep knowledge of the field, third sector may be more effective than the State to deal with some social issues.

Those relationships may take several forms or approach. For example, according to the *government failure* thesis (Weisbrod, 1997), within the economic and political approaches, the third-sector organisations intervene to respond to the needs of individuals which the State does not address, largely due to highly diversified (economic) individual preferences. In other words, because the demand function of some people is above the average level of needs supplied by the State, a group of individuals take action to make available the commodities and services that the public supply does not cover (Young, 2006). There is then complementarity between the State and organised groups of individuals (for example, Brinkerhoff & Brinkerhoff, 2002), within which the former makes available financial resources with which the latter produce public services. The relations between the State and third-sector organisations may be arranged within the framework of contracts (Austin, 2003). That is, the State outsources the production of public services to be offered to the population or to a specific portion of the population, generally under specific contractual agreements (funding, results and accountability conditions, contract length, etc.). Therefore, questions regarding which services may be outsourced, which partners to involve and how services are contracted out are crucial. The cross-sectorial framework approaches (Brinkerhoff & Brinkerhoff, 2002) theorize that the social, economic and political changes produced by globalization have transformed the relations between the State, the private market and civil society (Evers & Laville, 2004; Favreau, 2008; Laville & Roustang, 1999; Lévesque, 2001; Vaillancourt, 2007). These approaches, derived from the New Economic Sociology (See Lévesque, 2001), conceptualize relationships as the result of social tensions between the State and the rest of the society (Anheier, 2009; Evers & Laville, 2004). The interaction style approaches state that the types of interactions that occur amongst actors determine their relationships. For instance, Gidron, Kramer and Salamon (1992), suggested four types of relations, depending on which actors fund and which ones produce the goods and services. There may be dominant, dualism or collaboration relationships.[8] Lastly, the collaboration and partnership approaches state that collaboration occurs when several organisations work together to solve a social issue (Bryson, Crosby & Middleton Stone, 2006; Gazley, 2010; Gazley & Brudney, 2007; Seitadini & Lindgreen 2010; Selsky & Parker, 2005, 2010). This usually involves cross-sector collaborations, that is, amongst organisations which belong to different sectors, for example, the private, the public and the third sectors. These cross-sector relations may unfold in four possible types of collaboration: private-public, pri-

[8] There is a *dominant-government* situation when the government is in charge of both providing funds and producing goods and services. On the contrary, a *dominant-third sector* situation occurs when it is third sector organisations that provide funds and produce goods and services. Between the two extremes, there are intermediate situations: there may be *dualism* (supplementary approach) when both actors take action to provide funds and produce goods and services, or *collaboration*, when one actor (usually the State) provides funds and the other (usually third-sector organisations) executes or produces goods and services (Gidron, Kramer & Salamon, 1992).

vate-third sector, public-third sector and private-public-third sector (Austin 2003; Bryson, Crosby & Middleton Stone, 2006; Seitadini & Lindgreen, 2010; Selsky & Parker, 2005).

Female Immigrant Entrepreneurship

Studies on female immigrant entrepreneurship are less diffused than those on immigrant entrepreneurship and on female entrepreneurship (Essers & Benschop, 2007; Halkias & Caracatsanis, 2011). Usually, the existing studies analyse the opportunities and obstacles of the female immigrant entrepreneurs when setting up their businesses and they do so mainly by looking at the effects of the intersection between gender and ethnic/immigrant (Crenshaw, 1991) on the creation and the management of their enterprises (Abu-Asbah & Heilbrunn, 2011; Paré, 2008; Paré & Thérasme, 2010).

Conceptually speaking, female immigrant entrepreneurship is the combination of immigrant entrepreneurship and female entrepreneurship. As such, it seems logical to expect that female immigrant entrepreneurs will share both opportunities and obstacles of the two categories they are formed of and that have numerous parallels (Light, 2007; Wang, 2008). As a result, one of the most recurrent questions in literature is whether female immigrant entrepreneurs have more the characteristics of female entrepreneurs or those of immigrant entrepreneurs (Baycan-Levent, Masurel, & Nijkamp, 2003; Piperopoulos, 2012). Evidence has shown that they will emphasise either the traits of female entrepreneurs, or the traits of immigrant entrepreneurs or both, depending on circumstances and contexts.

For some authors, the gender dimension is more important than the ethnic origin dimension. For instance, Baycan-Levent, Masurel and Nijkamp (2003) showed the existence of similarities between female Turkish entrepreneurs and female Dutch entrepreneurs in Amsterdam, both regarding their personal characteristics and regarding their decision to become entrepreneurs. This led the authors to conclude that female Turkish entrepreneurs in Amsterdam are more similar to female entrepreneurs than to immigrant entrepreneurs. Paré and Therasme (2010) reached quite similar results in their study on the presence of female immigrant entrepreneurs in the IT sector in Montreal. The researchers stated that, apart from the predominance of female French Canadians working in the subsector of the knowledge production itself, the sector of the new economy as a whole does not show significant differences amongst female immigrants, female French Canadians and English Canadians. The authors concluded that, while the role of gender on the presence of women in such a sector is clear, as women working in it are very few (12% only, according to data), the role of the immigrant status is far less clear.

Although we ought to be careful before generalizing on characteristics of female immigrant entrepreneurs, a heterogeneous population, namely in terms of their individual skills, their cultural origins, their entrepreneurial experience or even in terms of their decision to become entrepreneurs (Baycan-Levent, Masurel & Nijkamp, 2003), some general common traits may be pointed out. These are, for example, the dimensions of their enterprises, usually smaller in terms of number of employees and of start-up capital than businesses run by men (Heilbrunn, 2004; Loscocco et al., 1991; Smith-Hunter & Enqelhardt, 2004; Verheul et al., 2001); the sectors they work in, usually services with lower return on investment (Baycan-Levent, Masurel & Nijkamp, 2003; Paré & Thérasme, 2010), and the obstacles they face when starting up their business (difficult access to

start-up capital, administrative barriers, discrimination, etc.) and their firm's reduced growth perspectives (Abu-Asbah & Heilbrunn, 2011; Baycan-Levent, Masurel & Nijkamp, 2003; Heilman & Chen, 2003).

From a policy point of view, female immigrant entrepreneurs are not recipients of specific public support, probably because they are made, to a certain extent, of both markers of identity (female and immigrant entrepreneurs). There are numerous studies that analyse the support provided to female and immigrant entrepreneurs (Collins, 2003; Lerner & Khavul, 2003; Pearce, 2005; Toussaint-Comeau, 2005) and the implementation of support policies contributes to the increase of minority-owned businesses (Pearce, 2005). Indeed, it has been recognized that public support enables women – and – immigrant entrepreneurs to obtain funds (Collins, 2003; Lerner & Khavul, 2003; Lerner, Menahem & Hisrich, 2005), and the access to funding for start-up capital is one of the main treats encountered by those entrepreneurs (Collins, 2003; Heilbrunn & Kushnirovich, 2007; Kloosterman & Rath, 2002; Pearce, 2005). While Kloosterman and Rath (2002) recommend that such support policies focus on the supply side (resources of the immigrant entrepreneurs), the demand side (the opportunity structures) and on the matching of both, most of the existing policies focus generally on supply side to increase resources availability (Kushnirovich, 2009). To promote effectively female and immigrant entrepreneurship, minority business public policies, besides making opportunity structures provide services to entrepreneurs and making such services match entrepreneurs' needs, should be known by potential beneficiaries. Information about what supports exist and how entrepreneurs may benefit from them must be easily accessible, to avoid the risk women and immigrant business projects being hampered (Kushnirovich, 2009). Therefore, it is crucial to improve communication between immigrants and government agencies, as this is of paramount importance for policy supporting minority entrepreneurship to take place effectively (Collins, 2003). While, the CEMFII can be credited to have focused on making resources available to beneficiaries (supply side), on building up a platform that gives access to those resources (demand side), and on making both sides match, there is no evidence on its diffused knowledge amongst female immigrant entrepreneurs. However, what makes CEMFII unique in its kind, as mentioned earlier, is its specific role of promoting female immigrant entrepreneurship, on the contrary of the most diffused and known support policy instruments that focus generally either strictly on women entrepreneurs or on immigrant entrepreneurs.

RESULTS AND DISCUSSION

The purpose of this paper was to look at the effectiveness of the CEMFII, a 'public – third sector' network composed of six entrepreneurial support organisations created thanks to the financial support of the Government of Quebec through the CRÉ, in its objective to provide general assistance to female immigrants willing to develop businesses. The case of the CEMFII was relevant to explore the 'State – third sector' relationships within this study, because it is the only PARMI's (public) project that has involved specialised (third-sector) agencies with long-lasting experience in the field of immigration management, diversity promotion and female entrepreneurship support. As such, it feeds the discussion and reflexion on building up public urban policies that adequately respond to the

need of female immigrants willing to become entrepreneurs, and, consequently, contributes to the general topic of immigrants' integration.

In light of the previous review, this paper argues that the relationships between the State, represented by the CRÉ, and the third sector, represented by third sector organisations that form the CEMFII, is both quite *complex*, as they may be included into more than one relation types, and also *risky*, as the mission of this network may be obstructed by the political changing context and the related financial issues. This confirms the hybrid nature of such relations.

'CRÉ – CEMFII' Relations

The CEMFII is a product of a '*public – no profit' collaboration and partnership*, modelled in Figure 1 and motivated by the need to better promote the economic integration of female immigrants. This can be put within the framework of organisational theory, according to which relationships take place around societal issues (Brinkerhoff & Brinkerhoff, 2011; Seitadini & Lindgreen, 2010; Selsky & Parker, 2010). This relation is undertaken under a *complementary scheme* (for example, Brinkerhoff & Brinkerhoff, 2002), in the framework of collective action theory (Olson, 1971), or under specific *contractual agreements* (Brinkerhoff & Brinkerhoff, 2011), where the State, i.e. Government of Quebec through the CRÉ, provides funds to the third-sector, which through the entrepreneurial support organisations, supply corresponding services to prospective female immigrant entrepreneurs. Given the strong involvement of the third sector in immigrant

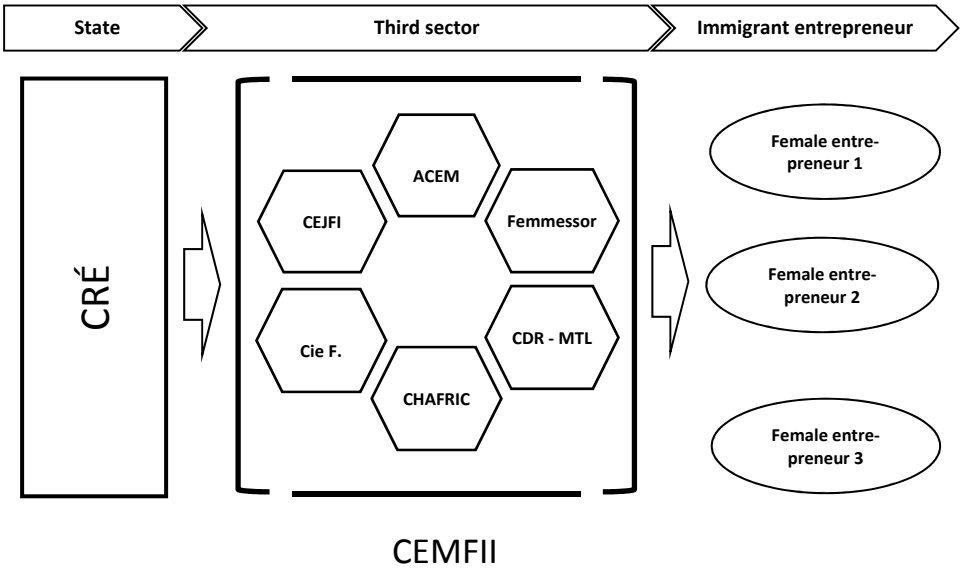

Figure 1. Illustration of the relations between the State (CRÉ) and the Third Sector (CEMFII), within the continuum of services to female immigrant entrepreneurs
Source: elaboration based on CEMFII materials (Paré)

issues (Olson, 1971), we see that, although the Government of Quebec might be the most appropriate financial sponsor, the third sector organisations involved in the project

have proved to be the most suitable suppliers of CEMFII's services for the long-lasting experience (up-to almost 30 years) in the field of immigration management, diversity promotion and female entrepreneurship promotion.

These services consist of reinforcing existing organizational tools and developing new ones to guarantee the future success of new entrepreneurs. In practice, this means offering services and products tailored to female immigrants, who because of both their gender and their immigrant status (Collins, 1986, 1990; Crenshaw, 1989, 1991) may be limited in the creation and development of their enterprises (Abu-Asbah & Heilbrunn, 2011; Baycan-Levent, Masurel & Nijkamp, 2003, 2009; Paré, 2008; Paré & Thérasme, 2010). Thus, these services include promoting both traditional and alternative ways of raising funds, implementing networks to share expertise and business opportunities, and offering personalised mentoring support services (CRÉ de Montréal, 2011).

Top-down Logic, Political Leadership Change and Financial Issues

Moreover, the CEMFII follows a top-down logic, which might prove workable within a certain set of conditions, including a refined knowledge of the female immigrant needs, taking into account the specificities of each case; sufficient financial and human resources, to respond adequately to any demand; and adapted services for special requests, which might rise from the intersection between gender and the immigrant status of women.

Unfortunately, there is no guarantee that these outcomes have been achieved, considering the modest financial contribution of the government in 2011, i.e. 230 000 CAD, to initiate such a network of regional not-for-profit organisations to favour female immigrant entrepreneurship. Some of the money was used for technical and functioning purposes, i.e. to establish a common IT workplace platform (http://www.cemfii.com) to permit entrepreneurial actors to share know-how and manage projects (Government of Quebec, 2011). This platform has allowed different organisations in the CEMFII to have access to elementary information on their "clients", that is, prospective female immigrant entrepreneurs. This first funding was followed by the renewal of the agreement in 2012, which was associated with a new public funding of 1.2 million CAD to help 520 existing female entrepreneurs and help 130 female immigrants start new enterprises (CRÉ de Montréal, 2012). Although it must be acknowledged that the Government of Quebec has guaranteed a certain amount of money to support the network's activities, this may still remain an exceedingly minimal investment compared to the real market needs, pictured by the current market dynamics. Indeed, with an entrepreneurial intention[9] rate in the entire Quebec of 32%, compared to only 18% of natives, immigrants contribute very positively to the rate of entrepreneurial intentions and of administrative procedures started to implement a business in Montreal and Laval, the most dynamic Quebec's regional poles in terms of entrepreneurial intentions (Fondation de l'entrepreneuriat, 2015). The socio-demographical factor, as 33% of the population in Montreal and almost 25% of the population in Laval are immigrants, explains this. Also, in Canada, in general, it is worth adding that immigrants have had higher propensity to

[9] The entrepreneurial intention is related to the fact a person is willing to start a business. It may be measured by individual traits of the would-be entrepreneur and by the economic, political and cultural context that person has lived (Fondation de l'entrepreneuriat, 2015).

become entrepreneurs than natives, i.e. 0.35% compared 0.20%, according to data of 2011 (Banque du développement du Canada, 2012). Although all these data do not divide immigrants by sex, it may be assumed that female immigrant entrepreneurs follow this general positive trend.

Moreover, the fact that all funding comes from a single, public source has not only fettered any long-term forecast of the CEMFII, but it has also increased the uncertainty of the entire project for the future. While it does not appear that third sector organisations have developed a subordinate position in relationship to the CRÉ, this may derive from the fact that the former have a specific expertise that the latter does not have and this somehow helps the actors to build balanced interactions. Neither are there signs of the denaturalisation of the third sector organisations, given that CEMFII was constructed upon their original missions. This being acknowledged, recent changes in political leadership in Quebec (Parti Québécois Party to Liberal Party) has brought back the issue of the uncertainty of the availability of future funding (Salamon 2006; Smith & Lipsky 1993), particularly in view of the austerity programme introduced by the new government to eliminate recurrent budget deficits. In fact, the intention of the Liberal Government to abolish the CRÉ in order to create greater efficiency in the production of public services and, correspondingly, to save money (Radio Canada, 2014) came to effect in early 2015. Indeed, from April 2015 the CRÉ officially disappeared and were replaced by a transitional committee to complete all the CRÉ's actions previously started (Government of Quebec, 2015). Unless the government decides to keep funding through other channels, the disappearance of the CRÉ might cause the end of CEMFII, with important negative consequences on the development of female immigrant entrepreneurship, which has been recognized to be able to contribute to the integration of female immigrants (Paré, Chabant & Lavallière, 2010). Indeed, the disappearance of a structure, which creation is the result of over twenty years of recurring discussions by local actors and which mandate was specifically to address the consequences of the intersectionality between gender and immigrant status, will deprive entrepreneurs and would-be entrepreneurs of crucial services provider. This raises the important question of the financial autonomy third sector organisations need to diminish their dependency on public funds and for their long-term sustainability.

Dynamicity Versus Stability of Relations, Conversations Amongst Actors, and Entrepreneurs In The CEMFII

One common characteristic of the approaches that were reviewed is the fact that they conceptualize relationships as a static object (Brinkerhoff & Brinkerhoff, 2011; Cho & Gillespie, 2006; Selsky & Parker, 2010). However, in reality relationships are more often dynamic, resulting from interactions between dynamic actors within changing social structures (Gazley, 2010; Saidel, 1991; Smith & Grønjberg, 2006; Vurro, Dacin & Perrini, 2010; Young, 2000). In particular, in the framework of organisational theory, this paper suggests that the relationship between the State, represented by the CRÉ, and the third sector, represented by the CEMFII takes the form of on-going and varied conversations on a specific social issue (Camus, 2012), i.e. the economic integration of female immigrants in Montreal. Such conversations cover, for example, funding activities by the CRÉ, the choice of the activities to be delivered by the CEMFII, the agreement of the CEMFII to deliver the specified services and to define the organisational field within which the rela-

tions occur (Hoffman, 1999). Also, given the stable and regular involvement of the CRÉ and the CEMFII, it makes sense to claim that those relations take place within *cross-sector social partnerships* (Selsky & Parker, 2010) and within contractual approaches.

Female immigrant entrepreneurs in Montreal have lacked unified structures that may mentor and guide them on issues related to the business start-up, for example writing a business plan, having access to funding, networking, etc. The CEMFII was aimed to provide such services in one single place, i.e. through its platform that gathered 6 Montreal's specialised organisations in migration management, female entrepreneurship and diversity promotion, and whose combination offered support to the women immigrants willing to start a business. As such, the CEMFII is quite unique. Unfortunately, with the end of the CRÉ and the uncertain future of the CEMFII, neither data, nor documentation to help understand how women immigrants had access to services of the One-stop-shops are currently available. When the future of the project is better defined and documents available, further empirical research will be carried out.

CONCLUSIONS

The objective of this paper was to review the most relevant literature on the relations between the State and the third sector and to apply the results, when applicable, to position a specific 'public – third sector' relationship, i.e. the CEMFII, within the various ideal types of such relationships. The characteristics of the CEMFII, reveal that it has been risky, complex and complicated, just like any other 'public – no public' relation (Cairns & Harris, 2011; Gazley & Brudney, 2007; Jones, 2007; Salamon, 2002; Van Slyke, 2007). In particular, because of its hybrid nature, it does not refer to a single and specific predefined type of relationship. The CEMFII experiences interaction dynamics of the 'public – third sector' relations.

Within the *economic and political relation approaches*, and in particular in the framework of collective action theory (Olson, 1971) and the *free riding* approach, the roles that the main actors assume in the project, i.e. the State financing the activities and the third sector organisations supplying them, given their distinct expertise, put in place more a complementary relation (Brinkerhoff & Brinkerhoff, 2002) than a mistrustful one (Gazley & Brudney, 2007). Their distinct expertise gives definitely birth to a collaboration relation, either within the *interaction style approaches*, where the State provides funds and the third-sector organisations produces goods and services, or within the *collaboration and partnership approaches,* where cross-sector collaborations occur to solve the issue of the economic integration of female immigrants. Moreover, the State – third sector organisations relationship, which takes the form of on-going conversations on several topics such as the funding by the CRÉ, the choice of the activities to be delivered by the CEMFII, the agreement of the CEMFII to deliver the specified services and to define the organisational field within which the relations occur (Hoffman, 1999), is to be included within the *contractual approaches* and within *cross-sector social partnerships* (Selsky & Parker, 2010).

While the effectiveness of the CEMFII to solve some difficulties of female immigrant entrepreneurs may be generally acknowledged, this should be numerically ascertained in future research. Indeed, it will be crucial to address the question of the results of CEMFII's activity and the extent to which its services have reached the needs of women in

different ethnic and cultural groups. To more fully explore the relationship that occurred between CEMFII and the CRÉ, it might be useful to collect data from at least three sources: governmental and official documents; in-depth interviews with former representatives of the CRÉ and representatives of each of the six component organisations of CEMFII; together with in-depth interviews with a sample of female immigrant entrepreneurs. In doing so, we will attempt to answer empirically to the following research question: has the One-Stop-Shop service for female immigrant entrepreneurs in Montreal been able to offer the services that match the needs of female immigrant entrepreneurs? This will help to further understand in what particular areas the CEMFII has been more successful and in which ones it has been least. This will, in turn, give sound information to make recommendations that would lead to more effective policies and practices in the future.

Moreover, just before its disappearance, the CRÉ began to examine the differences between its objectives, those of CEMFII and of the immigrant female-owned organisations, as a result of the increasingly apparent gap between perceptions, expectations and achievements. Given the context of Montreal's constant changing economy, it will be interesting to evaluate and measure the effects of those major structural changes. Lastly, given the importance of international migration for all of Canada, a comparison of CEMFII with similar organisations and mechanisms set in the other two major Canadian migration cities would be useful. That is, S.U.C.C.E.S.S., Business Immigrant Integration Support (BIIS) program, in Vancouver, BC, and the Global Business Centre (GBC) at the New Centre of Peel (NCP), in the Greater Toronto Area, ON, even though neither of these programmes were specifically tailored for migrant women. Such a comparison has become even more important after the disappearance of the CRÉ, as the result of change in social policies of the Liberal Government of Quebec. So, while there is no evidence that the CEMFII's dependency on the public funds constitutes a threat to the mission and autonomy of the not-for-profit organisations involved (Salamon, 1987), there clearly exists a sustainability issue linked to political leadership changes (Salamon, 2006; Smith & Lipsky, 1993). This contingency leads to a secondary research question to explore in the future: to what extent are social issues, such as economic integration of female immigrants, strong determinants to a public – third sector organisations collaborative and partnership relationship?

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Authors

The contribution of co-authors is equal (50% each of the authors): R.C. Maloumby-Baka prepared the literature review, while S. Paré prepared the case study materials.

Sylvie Paré

Full Professor at the Department of Urban Studies and Tourism, School of Management of the University of Quebec in Montreal (Canada). PhD in Sociology by the University of Montréal (Canada); Master in Urban Planning by McGill University (Canada); Bachelor in Geography by the University of Quebec in Montreal. Full Professor in the Urban and Tourism Studies Department, School of Business at the University of Quebec in Montreal. She is the former Director of the Research Institute of Feminist Studies (IREF) at the same University and the current Director of Urban Planning programmes. She is also the President of the Americas' section of the Association for the Promotion of Training and Research in Planning and Urbanism and member of several academic research networks, including VRM, CRV, IREF and RéQEF. Her research interests include ethnic/immigrant entrepreneurship, female ethnic/immigrant entrepreneurship, diversity management in municipal contexts, gender and territory, cities and immigration, spatial ethnic differentiation.

Ralph Christian Maloumby-Baka

Bachelor and Master (Italian *Laurea*) in Economics and Business Administration (University of Lecce, Italy); Master in International Relations and Policy Expertise (LUMSA University, Rome, Italy); PhD candidate in Urban Studies (Université du Québec à Montréal, Canada).PhD Candidate in Urban Studies at the University of Quebec in Montreal and lecturer in Urban Studies Research Methods. His research interests include cities and immigration, with a special focus on the transformation of industrialized cities by migrant entrepreneurs. He is also interested in ethnic/immigrant entrepreneurship, female ethnic/immigrant entrepreneurship and the international financial remittances, with a particular focus on remittances to and within Africa.

Correspondence to:
Prof. Sylvie Paré, PhD
École des sciences de la gestion
Département d'études urbaines et touristiques
Université du Québec à Montréal
C.P. 8888, Succursale Centre-ville
Montréal, QC, H3C 3P8, Canada
pare.sylvie@uqam.ca

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Modes of entry to male immigrant entrepreneurship in a rural context: Start-up stories from Northern Norway

Mai Camilla Munkejord

ABSTRACT

Objective: The purpose of this article is to address rural and gender gaps in the immigrant entrepreneurship literature by analysing the start-up narratives of nine male entrepreneurs in Finnmark in northernmost Norway.

Research Design & Methods: The article is based on a qualitative fieldwork including business visits and in-depth interviews. The transcripts from the interviews were analysed using a constructivist grounded theory approach (CGT).

Findings: The article contributes to the entrepreneurship and to the immigrant entrepreneurship literature by highlighting the gendered experiences of male immigrant entrepreneurs, by identifying three distinct modes of entry into rural immigrant entrepreneurship and by revealing how the experiences of entrepreneurs are shaped by the family and spatial contexts.

Implications & Recommendations: This study notes that the modes of entry to rural immigrant entrepreneurship are diverse, but often related to the pursuit of an initial feeling of belonging in the new region of settlement. Hence, developing our knowledge of how to not only attract but also retain and increase the feeling of local belonging of immigrants may be important for many rural regions in the Western world.

Contribution & Value Added: The originality of this article is to address rural and gender gaps in the immigrant entrepreneurship literature by analysing the start-up narratives of nine male entrepreneurs in Finnmark in northernmost Norway.

Article type:	research paper
Keywords:	male immigrant entrepreneurship; rural context; spatial and family embeddedness; modes of entry; gender
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INTRODUCTION

An increasing number of immigrant men are starting businesses in rural areas of the Western world, primarily because of the recent growth in rural immigration (Danson & Jentch, 2009; de Lima & Wright, 2009; Simard & Jentch, 2009). But, what are the stories of immigrant male entrepreneurs in rural areas? What makes them start a business, and what shapes their experiences? While immigrant entrepreneurship (IE) has been developed into a significant field of study (Aldrich & Waldinger, 1990; Almor & Yeheskel, 2013; Crockett, 2013; Evans, 2012; Kloosterman & Rath, 2001; Portes & Zhou, 1996; Ram & Jones, 2008; Stephens, 2013; Turkina & Thai, 2013), it can be criticised for having neglected rural contexts and for overlooking gender in the analysis. Also, in cases where gender is addressed, *female* participants are automatically scrutinised, as if the experiences and practices of male entrepreneurs were not gendered.

This article addresses rural and gender gaps in the immigrant entrepreneurship literature by analysing the stories of nine *male* immigrants who currently operate a business in Finnmark in northernmost Norway. Different theoretical frameworks are suggested in the literature to conceptualise the processes related to how different actors choose self-employment. One example is the '5M framework' (Brush, de Bruin & Welter 2009), which was originally developed to understand female entrepreneurship but, I would argue, is equally relevant to highlighting men's experiences, immigrant or not. In addition to market, money and management, the 5M framework highlights the significance of 'motherhood' and the 'meso/macro environment'. Whereas the motherhood metaphor refers to the household or *family context* and implies recognition of the fact that entrepreneurial processes are interconnected to gender and household dynamics, the meso/macro environment includes considerations outside of the market, such as cultural norms and policies, legislation, and the *spatial context*.

This article aims to enhance our understanding of the immigrant entrepreneurial start-up phase. In particular, the following questions are explored: Why did the participants choose to become self-employed? How does the family contribute to shaping the entrepreneurial business start-ups among the participants in this study? And in what ways are the businesses embedded in the local rural context in which the participants live?

The article contributes to the entrepreneurship literature in general and to the immigrant entrepreneurship literature in particular in three ways: first, by highlighting the gendered experiences of *male* immigrant entrepreneurs; second, by identifying three distinct modes of entry into rural immigrant entrepreneurship, including a) entrepreneurship as a means to live in a region of perceived attractiveness; b) entrepreneurship 'because I was asked to do it' and c) entrepreneurship as a preferred choice for men in satisfactory wage labour; and third, by revealing that the experiences of participants, regardless of their mode of entry into entrepreneurship, are shaped by the family and the spatial context within which the entrepreneur is situated.

This article is organised in the following manner: I will begin by introducing the geographical context for this study. I will then present the conceptual and methodological framework before demonstrating the analysis of the empirical data. In the final section, I will present conclusions, limitations and ideas for future research.

Context

Finnmark County is located in Norway in northernmost Europe. However, as a result of the Gulf Stream, the climate is relatively mild. Finnmark's surface is 48 637 square kilometres but, despite its size, the region has only 75 000 inhabitants[1]and has suffered for decades from a steady population decline. Since 2007, however, population rates have stabilised and increased slightly, primarily because of immigration. The total number of immigrants living in Finnmark in 2012 was 6773, constituting 9.2% of the total population (Special table, Statistics Norway).This is a little below the national average of 11%. In terms of numbers, the immigrants in Finnmark originate primarily from Russia and Finland; secondly from Poland, Lithuania and Sweden; and thirdly from Thailand, Afghanistan and Somalia.

Finnmark stretches between 70 and 71 degrees north. This far north, winters are dark and the sun is below the horizon for two months. During summertime, however, the midnight sun brings light to inhabitants and attracts tourists to the region. The landscape is open and stony with wild mountains, vast plateaus and naked shores surrounded by the sea. Because of the Gulf Stream, the climate is relatively mild compared with other places at similar altitudes. Trees are rare in parts of the county, but there is a great deal of green grass, small bushes and heather moors. Finnmark has a long coastline and the majority of the population lives relatively clustered along the coast in fishing villages and small towns. Fisheries have long played a crucial role (Gerrard, 2005, 2013), previously in combination with small-scale peasant farming. More recently, other sectors have become more important, such as fish farming, small-scale nature-based tourism and different types of skilled employment in the public welfare sector as well as in industrial mega-projects based on the extraction of natural resources. The self-employment rates in Finnmark are relatively low at approximately 4%. Because of the increased international in-migration, however, the number of immigrant firms is currently increasing, and according to special tables from Statistics Norway, there were approximately 170 immigrant entrepreneurs in Finnmark in 2010, constituting 3.2% of the immigrant population aged 18-65 (Special table, Statistics Norway).

LITERATURE REVIEW

From Culturalist via Structuralist Explanations …

As it is common in the literature, I define entrepreneurship as the creation of new ventures, and entrepreneurs as venture creators (Gartner, 1988). Hence, immigrant entrepreneurs are venture creators who have migrated to Norway. Two models have predominated in the literature theorising the phenomenon of immigrant business start-ups: 1) a model arguing that certain immigrant groups have a particular *cultural inclination* towards entrepreneurship (Aldrich & Waldinger, 1990; Basu & Altinay, 2002; Fairlie & Meyer, 1996; Mora & Dávila, 2005; Teixeira, 1998) and 2) a model emphasising the *structural constraints and opportunities* available to immigrants in the hosting context (Lee,

[1] In 2013, Statistics Norway: http://www.ssb.no/befolkning/statistikker/folkendrkv/kvartal/2014-02-20?fane=tabell&sort=nummer&tabell=164147

1999; Phizacklea & Ram, 1996; Shinnar & Young, 2008; Waldinger, 1994). The first model often uses ethnicity in a uniform and stereotypical manner that assigns common characteristics to different people. Thus, as argued by Collins and Low (2010, p. 101), 'in some cultural explanations, immigrant entrepreneurship is simply reduced to the supposed innate "entrepreneurial bent" of certain ethnic groups (often Chinese, Italian or Jewish)'. The problem with such a perspective is apparent: any 'immigrant group' or 'ethnic minority' consists of a large number of people with different social and human capital and with various migration backgrounds, and their experiences related to, e.g., starting and developing a business should hence not be analysed under a common umbrella that ignores variations *within* the group. The second model relates to constraints and opportunities and in particular considers how immigrants are *pushed* or *pulled* into self-employment. The push factors refer to processes of discrimination. Within this line of argument, immigrant self-employment is commonly understood as the absence of other opportunities (often referred to as the disadvantage hypothesis). The pull factors, on the other hand, refer to market conditions in the host context. This perspective hence suggests that immigrants are *pulled into* entrepreneurship because of the structure of the host economy using explanatory terms such as 'enclave economy', 'ethnic niches' and 'occupational niches'. For an elaboration of these structural perspectives, see Brettell and Alstatt (2007).

Although both cultural and structural factors are significant for understanding why and how immigrants choose self-employment, the above-mentioned models are not sufficiently developed to grasp *agency* in terms of individual interests and aspirations, as argued by several academics (Brettell & Alstatt, 2007; Essers, Benschop, & Dooreward, 2010; Khosravi, 1999). Moreover, the models are shaped within a mega-city context and are therefore not necessarily relevant to explaining immigrant entrepreneurship in a Western rural setting, as this article will illustrate. Furthermore, these models are also developed without adequate theorising of the gender and family embeddedness of entrepreneurial processes (Collins & Low, 2010).

… to the 5M Framework Highlighting the Family and Spatial Contexts

Thus, different frameworks are suggested in the literature to better conceptualise the processes related to how different agents choose self-employment, whether they are immigrants or not. In this article, I draw on the '5M framework' (Brush, de Bruin and Welter 2009) that I briefly presented in the introduction. The 5M framework extends the existing 3M framework (Bates, Jackson, & Johnson, 2007) implying that an entrepreneur seeking to start and develop a business needs access to the market, money and management, the latter in the sense of human capital (Bates, Jackson, & Johnson, 2007, p. 9). In the 5M framework, 'motherhood' and the 'meso/macro environment' are added, the motherhood metaphor implying that entrepreneurial processes are interrelated with gender and family dynamics and the meso/macro environment emphasizing the significance of considerations outside of the market. These meso/macro considerations include cultural norms and policies, legislation and the *spatial context* related to urbanity and rurality in terms of geographical localization, population density and the dynamics of the local labour market that may also influence entrepreneurial motivations, access to resources and realization of business ideas.

From the Entrepreneur as a Masculine Individualist to the Entrepreneur as a Family Member

Based on a social constructivist approach, gender in this article is perceived as a relationship between masculinity and femininity viewed as cultural understandings regarding male and female bodies related to expectations of gendered differences in interests, activities, preferences, values, choices of education and career, etc. Several feminist scholars have analysed how the concepts of masculinity and entrepreneurship are intertwined (Ahl, 2004, 2006; Bruni, Gherardi, & Poggio, 2004; Essers et al., 2010; Jennings & Brush, 2013), indicating that entrepreneurship is constructed as a masculine activity associated with innovation and growth, whereas the entrepreneur is constructed as a courageous, daring, self-centred, power seeking, active and independent man (Ahl 2004, pp. 51-54). However, research that has compared female and male entrepreneurs on personal characteristics has shown that both sexes reflect the entrepreneurial norm to the same extent, in other words: men do not necessarily score higher on the so-called 'entrepreneurship attributes'. In other words, the achieving and individualistic male entrepreneur is a particular cultural construct of masculinity (Ahl 2004, 2006). Contrary to constructions of the entrepreneur as an independent power-seeking individualist, recent scholarship rather indicates that many entrepreneurial decisions are collective processes influenced by the family of the entrepreneur (Aldrich & Cliff, 2003; Alsos, Carter, & Ljunggren, 2014; Jennings, Breitkreuz, & James, 2013; Jennings & Brush, 2013; Jennings & McDougald, 2007; Rogoff & Heck, 2003). In particular, the literature indicates that entrepreneurs may rely on different types of moral and instrumental support from spouses and other family members to assist them in realising their business plans (Eddleston & Powell, 2012). In this article, I will analyse male immigrant entrepreneurs' accounts of the start-up phase with a particular focus on how they relate to the hegemonic discourse on the entrepreneur as an independent and power-seeking man versus recent research that reveals the significance of the entrepreneur as embedded in his or her family.

MATERIAL AND METHODS

This article explores the motivations for starting a business among immigrant men in Finnmark, located in the north of Norway. Given the scarcity of knowledge about this theme and to obtain a thorough description of the participants' own understanding of their experiences, a qualitative, interpretative approach was thought to be the most appropriate (Bagwell, 2008; Haavind, 1999; Shaw, 2006; Søndergaard, 1999, 2002). Narratives are often used within interpretative methodology to explore how individuals comprehend their everyday life situations. This methodology is suitable because telling their stories enables individuals to draw on memory and current experience and hence to bridge the past and the present (Cullum, 2003; Terjesen & Elam, 2009).

The fieldwork was conducted in 2012, including business visits and semi-structured in-depth interviews with nine immigrant men and twenty immigrant women who had started their own businesses and hence were self-employed. I used personal networks and the snowball method to identify potential informants who were purposefully selected on the basis of their migration background, education, family situation and business

sector. All participants gave their informed consent[2]. The stories of the nine male entrepreneurs selected for the purpose of this particular article on *male immigrant entrepreneurs* concerned running nine businesses: four male-led, four couple-led (three of these co-ethnic wives were also interviewed) and one team-led (an immigrant with a Norwegian partner, both interviewed). One of the businesses was run from home, whereas eight businesses had separate workplaces. There was some variation among the businesses related to their size, income provision and the hours that entrepreneurs work. The businesses were varied and included fast-food restaurants, a garage, an architectural firm, a nature-based tourism business and firms providing massage therapy and acupuncture.

Most of the interviews took place at the participants' workplaces, whereas a couple of them preferred to be interviewed at home or in a café. The interviews were conducted in Norwegian with some use of English, as all participants were quite fluent in the Norwegian language and, when needed, also had supplementary knowledge of English. The key topics in the interviews were 1) their backgrounds in terms of childhood, education, previous work experience, their stories about migrating to Finnmark and their new everyday lives in the north as well as 2) their experiences as entrepreneurs, including their reasons for starting a business, networking practices, the role of their family in starting and running the business and future plans. The interviews were tape recorded and lasted from 35 to 130 minutes, with an average duration of 75-80 minutes. The transcripts were thematically analysed using the constructivist grounded theory approach (CGT) (Charmaz, 2005, 2006, 2009). The CGT approach implies, e.g., that the researcher takes a reflexive stance in terms of searching for multiple perspectives by analysing the empirical data using general rather than specific concepts (Charmaz, 2005, p. 509). After a preliminary thematic analysis of the empirical data from the interviews, I chose theories on immigrant entrepreneurship, family embeddedness and spatial embeddedness as a sensitising framework that allowed for further analysis of the participants' accounts of their experiences with starting a business in the rural north. The analysis was assisted by the use of NVIVO-10 to manage and code the material and to support the transparency of the analysis. Quotations have been translated into English for the purpose of this article. All names in this article are fictitious for the sake of confidentiality.

Background information about the participants. Five of the participants had a background as refugees from Asia and Africa. These individuals were sent to the West by their families to try to make a new start and thereafter to help their relatives left behind. The other four participants can be categorised as lifestyle migrants (O'Reilly & Benson, 2009). These participants came from Western Europe and from Russia and had settled in northernmost Norway for slightly different reasons, but all of them shared that they were attracted to the Arctic and that they wanted to experience something 'different' and 'exotic'. As indicated in the table below, the educational level was not the same between the two groups of immigrants: three of the refugees had no education beyond primary school, and two of them had secondary education (craftsman certificates and a massage certificate), whereas all of the lifestyle migrants had university degrees.

[2] They were informed about their rights to refuse participation and to withdraw their statements at any time. In addition, the research project was approved by Norwegian Social Science Data Services.

Table 1. Overview of the participants

Name and age (approx)	Migration background + region of origin	Trade, year of start-up	Marital status	How the business is led	Education	Family dependents
Ali, 30	Refugee, Asia	Restaurant (2007)	Spouse from his country	Male-led	Primary	–
Julius, 45	Refugee, Asia	Massage treatment (2003)	Spouse from his country	Male-led	Massage education in Norway	Three children, kindergarten and school age
Paul, 45	Refugee, Africa	Retail store (2006) & café (2012)	Spouse from his country	Couple-led	Primary	Four children, school age
Mehmet, 35	Refugee, Asia	Garage (2010)	Spouse from Norway	Team-led (with a Norwegian partner)	Craftsman certificate from both country of origin and Norway	One child (baby)
Ahmed, 35	Refugee, Asia	Restaurant (2005)	Spouse from his country	Couple-led	Primary	One child (baby)
Erik, 35	Lifestyle migrant, Western Europe	Architectural firm (2008)	Spouse from his country	Couple-led	Univ. degree	Two children (kindergarten)
Vladimir, 40	Lifestyle migrant, Russia	Tourism firm (2012)	Spouse from his country	Male-led	Univ. degree	Two children (kindergarten and school age)
Lars, 45	Lifestyle migrant, Western Europe	Massage and acupuncture treatment (2002)	Spouse from his country	Male-led	Univ. degree	Three children (kindergarten and school age)
Jürgen, 55	Lifestyle migrant, Western Europe	Restaurant (2010)	Spouse from his country	Couple-led	Univ. degree	–

Source: own elaboration.

Concerning the household situation, all of the participants were married at the time of the interview. Only Mehmet, a refugee from Asia, was married to a Norwegian woman, whereas the others were married to a woman from their country of origin. Ali had got married only a few months before the interview and had no children yet, whereas Jürgen had adult children at the time of the business start-up. Three of the others (Lars, Vladimir and Paul) had one young child at home at the time of the business start-up, and all of the participants except Jürgen and Ali had at least one (more) child during the first years after their business start-up. Most of the participants told that being a father was a rewarding experience, but several admitted that having children and running a business simultaneously was at times a time-consuming and exhausting combination.

RESULTS AND DISCUSSION

Three Modes of Entry to Entrepreneurship

A key finding that emerges from the analysis is the variation in the participants' reasons for becoming self-employed. In particular, three different modes of entry to entrepreneurship were identified: a) entrepreneurship as a means to live in a region of perceived attractiveness, b) entrepreneurship 'because I was asked to do it' and c) entrepreneurship as a preferred choice for men in satisfactory wage labour. These are variations of *opportunity driven* entrepreneurship. Below, I will present examples of these three modes of entry and thereafter discuss how the experiences of the interviewees are intrinsically embedded in the family and in the spatial context in which they live. However, I will first present a table offering an overview of how I have categorised the participants in this study.

Table 2. Overview of the participants and the mode of entry to entrepreneurship

Mode of entry to entrepreneurship	Name/age/region of origin
Entrepreneurship as a means to live in a region of perceived attractiveness	Jürgen (55), Western Europe Ahmed (35), Asia
Entrepreneurship 'because I was asked to do it'	Lars (35), Western Europe Erik (45), Western Europe
Entrepreneurship as a preferred choice for men in satisfactory wage labour	Ali (30), Asia Vladimir (40), Russia Julius (45), Asia Mehmet (35), Asia Paul (45), Africa

Source: own elaboration.

a) *Entrepreneurship as a means to live in a region of perceived attractiveness.* Some of the participants entered entrepreneurship as a way to live in Finnmark. Jürgen, a lifestyle migrant from Western Europe is an example of this strategy. He and his wife, Hilda, had spent their summer holidays in northern Norway for many years, and when their children became adults, Jürgen and Hilda wanted to move northwards. They applied for several jobs without success. One day, the couple decided that becoming self-employed would be their opportunity for settling in the north. Because Jürgen excelled at cooking and Hilda had some experience working in a café, they soon found that running a restaurant was the business idea that would suit

them. They found suitable business premises for rent on the Internet, completed all the paperwork from their country of origin and moved to Finnmark, where they felt at home from the start.

Ahmed is another example of this type of entry mode. He is a refugee who was first assigned to Oslo, the capital region, after obtaining a residence permit. Ahmed indicated that he found work in a fast-food chain shortly after having completed the two-year compulsory introductory course for refugees. He enjoyed his work, obtained good references and soon secured permanent employment with more responsibilities. After a while, he encountered the opportunity to secure ownership of a retail store. Ahmed performed quite well, bought an apartment in Oslo and married a woman originating from the same country that he did. Two years later, he went to Finnmark on summer vacation to meet some friends and go river fishing there. He enjoyed his experience there and decided to sell the apartment in Oslo, quit his job and move northwards:

> Ahmed: I was on vacation here in 2007 and I really liked what I saw. In addition, some of my friends lived here, and what's more, there was a pizza restaurant for sale here that I became interested in. So, I bought the pizzeria, sold everything in Oslo and settled in Finnmark. It was not only the business opportunity that made me move. I also like the natural environment and landscape here, both in summer and winter.
>
> Researcher: Wow. That's so interesting. What do you like about the nature?
>
> Ahmed: I love fishing. I do that a lot. Otherwise, I just find it easier to live here than in Oslo. It's close to the wild nature here; it's easy to have fun outdoors and relax. I prefer that to the stress in a city such as Oslo.

b) *Entrepreneurship 'because I was asked to'.* The second category emerging from the data analysis is entrepreneurship as a result of external requests. Lars, a lifestyle migrant from Western Europe, is an example of this type of entry. He originally came to Finnmark with his wife and their newborn baby as 'long-term tourists'. Before moving north, Lars had been running a business offering Chinese acupuncture treatments in his country of origin. When they decided to spend a year in the north, his wife was able to bring her maternity leave payment to Norway. Lars therefore temporarily closed his business. Their plan was to spend a year in Finnmark to have 'quality family time and enjoy the northern landscapes'. Lars explained that he used to take daily long walks in nature, feeling a calm that he had not felt before. One day, he said, he met a woman in the street who asked him to 'stop picking berries in the mountains all day and start working' because, as Lars explains, 'she had a bad hip and needed my help'. He added the following:

> So I thought, why not? And that's how I started. Little by little. No rush, no panic. We still had the parental leave payment from home, and that was still enough to live on. However, one patient developed into two, and so on…

When Lars and his wife had spent a year in Finnmark, his firm had already performed quite well, and they were not yet ready to return to their country of origin. Thus, they decided to stay another year. His wife obtained an interesting job in the local labour market and their child entered kindergarten. The family grew, and they continued to stay there, until one day after several years of temporary decisions, they decided that it was

time to make a permanent decision. Therefore, the couple decided to settle, bought a house and started a long renovation process.

Erik, who is also a lifestyle migrant, has a similar but somewhat different story. He came to Finnmark with his wife Vibeke ten years ago to do 'something exotic and different', primarily because Finnmark was the place where they both found interesting jobs (at the time, finding a job was not an easy task for architects who had recently graduated). Erik obtained employment in a private architectural firm in Finnmark, whereas Vibeke first obtained a job working for the municipality and then, some years later, began to work in the same firm as Erik. One day, the owner of the architectural firm revealed that she had been thinking about retiring, and she invited Erik and Vibeke to assume ownership of the firm. Because this idea was completely new for the couple, they needed time to reflect. However, several months later, they decided that taking over the company and developing it together was exactly what they wanted to do. Thus, they became entrepreneurs.

c) *Entrepreneurship as a preferred choice for participants with satisfactory wage labour.* The last and most common mode of entry identified in this study of male immigrant entrepreneurs is entrepreneurship as a preferred choice for participants with satisfactory wage labour. In this mode of entry, the participants reported that although they had held interesting and well-paid jobs that corresponded well to their formal and/or practical qualifications, they had, for various reasons, preferred to start their own businesses. The main motivations cited were that self-employment would give them 'independence', implying that they would be their own bosses, earn money for themselves and hence obtain higher salaries than employees would and that they could determine their own working hours and schedule.

Independence. In the literature, the idea of being one's own boss to obtain independence is often cited as an important motivation for becoming self-employed, in particular by male entrepreneurs (Baycan-Levent, Masurel, & Nijkamp, 2003; Brettell & Alstatt, 2007; Zarrugh, 2007). In another study (Hilbrecht & Lero, 2014) moreover, most participants identified independence as a significant motivational factor for business start-up, and several of the self-employed participants discussed experiencing a 'temporal flexibility' allowing them to organise their days in a way that permitted them to meet different needs in the family as well as in the business (for further elaboration of this theme, see Hilbrecht & Lero, 2014, p. 31). This observation is also reported in this study: several of the men I interviewed explained that they chose to start a business to be their own bosses and hence to enjoy a certain 'flexibility' or 'independence'. Ali may serve as an example. He is a refugee who was running a restaurant offering both fast food and traditional Norwegian dishes. He started his business five years before the time of the interview, after having worked as an employee in another immigrant-led restaurant for several years. He stated that during the three to four first years of running his own business, he worked 11 hours per day seven days per week, and in addition, he did not take any holidays. 'However, things have changed', he explained, adding: 'now, I feel like a king.' He said that he currently had three employees to assist him, that he had bought an apartment and that he had purchased two cars. Moreover, he had recently got married and was waiting for family reunification with his wife. He explained that during the last couple of years, he had taught one of his employees everything about the

business to ensure that his employee could run the restaurant when Ali was away. In fact, although Ali did not take holidays during his first years as a business owner, he certainly did take vacations around the time of the interview. Actually, he had met his future wife one year earlier. She lived in Asia. Hence, to meet her and her family and to marry her, Ali had spent several weeks there during the last few months, and he was soon returning to see her again. When I asked Ali to explain why he decided to start his own business despite having an interesting and fairly well-paid job in another restaurant, he answered as follows:

> The best thing about being self-employed is that I can decide myself. I'll explain. When it is quiet here in the morning, I can leave the restaurant to one of my employees and meet a friend over coffee in town and come back a little later. Or if I'm tired one day, I can call one of my employees and ask him to open the restaurant, and I'll come in a couple of hours later myself. When you're an employee, you can't do that sort of thing. You just have to be on time. You see?

Vladimir, who was running a small nature-based tourism firm, had a different view. He explained that the best aspect of being self-employed is that he can do his things in his own way and in his own pace:

> I don't like industrial tourism. I want to work with small groups where you are in contact with everybody in the group, and I like the style where you just go out with the boat without any time schedule and people can just enjoy it. And it's not many companies in Norway that want to do this kind of business. Everybody wants to run after time schedules with every step being really organised. For me, that's industrial tourism. So after a while in that direction with [my former employer], I decided to start my own business.

Family and Community Support

Family embeddedness and the importance of spousal support. Whereas most of the *female* immigrant entrepreneurs in a broader study of rural immigrant entrepreneurship (Munkejord, 2015a, 2015b)clearly highlighted the importance of spousal support as a motivational or even decisive factor during the start-up phase, few of the male entrepreneurs mentioned this dimension when they discussed their experiences starting their businesses. Also, when I asked them about who had been significant persons in the start-up phase, hardly anyone of the participants talked about their wives. But, when I explicitly inquired about the role played by their spouse, however, they told that they had received a lot of moral and even instrumental support from their partners during the start-up and subsequent phases of business development. This male reluctance towards representing the spouse as a significant person in the establishment and development of the immigrant firm is well established in the literature coining the immigrant wife a 'silent contributor' of entrepreneurship processes (Dhaliwal, 1998).

In this study, however, the male informants did tell about the important role played by their wives when overtly inquired. Julius, a refugee running a massage therapy business, for instance, explained that he had needed a lot of support from his wife during the years. At times, he had felt quite lonely in the business, and the moral support from his wife had been of particularly great significance during such periods. Lars, who was currently working part time in his acupuncture institute as well, admitted that he and his

family actually relied on the higher regular income of his wife and that without her wage, he would not have been able to work as little as he did and hence would not have been able to combine part-time work with their on-going home expansion project. Vladimir, who was in the early start-up phase of his nature-based tourism firm, also acknowledged that he had obtained not only moral support but also plenty of practical assistance from his wife during the start-up phase of his business. However, this acknowledgement came only after his wife, who was present in the living room during the interview, intervened; Vladimir had initially spoken little about the role of his wife during the business start-up phase. His wife hence indicated that she had in fact reduced her job to a 50% position during the last year to have more time available to assist her husband with paperwork, applications and strategies but that she planned to start prioritising her own career again soon.

In addition to providing moral and instrumental support, some of the women had even engaged in the business on equal terms. This equal engagement was found in the cases of Paul, Ahmed, Jürgen and Erik, who can be termed *copreneurs* owning and running the businesses together with their partners. For a discussion of the copreneur concept, see (Smith, 2000). Ahmed is an interesting example here. In fact, I had interviewed him for quite a while before I realised that he was running his restaurant not alone but *together* with his wife. This point had not been clear at the beginning of the interview because he repeatedly used the pronoun 'I' when explaining his path to Finnmark and into the restaurant business. When I understood that he actually owned and ran the place together with his wife and hence started asking questions about that collaboration, it was revealed that he and his wife had moved to Finnmark together and that it was actually *his wife* who had completed the paperwork and had obtained formal education in cooking, among other tasks. However, near the end of the interview, when I asked Ahmed whether he thought that he would have been able to start and run the restaurant without his wife, he laughed and admitted the following: 'It would have been difficult. I wouldn't have even wanted to. She is cleverer than me, you know!'

Spatial embeddedness. The most common theme in the start-up accounts from male immigrant entrepreneurs, in addition to family embeddedness, relates in various ways to what we may term spatial embeddedness. Erik may serve as an example. He is running an architectural firm together with his wife Vibeke, as mentioned above. Erik explained that in addition to drawing houses particularly adapted to a northern climate, they were also designing outdoor spaces, for instance, in relation to kindergartens and elderly homes. In addition, the couple had initiated several community projects in which they linked persons and activities related to northern cultures and landscapes by organising cultural events and concerts in a location being a former industrial area. The motivation for this engagement in what we can call place-making or place re-invention (Nyseth, 2009) was to 'give something back to the people here', as Erik phrased it. Another community project in which they had been involved focused on the northern lights as a resource for people in terms of outdoor experiences in Finnmark. Erik, Vibeke and their employees had worked on that initiative in several ways: giving education to municipal planners and advisors with regard to what type of artificial lightening should be used during the long and dark winter to prevent 'blinding' people as well as constructing 'gazing spots' where tourists and other interested people could enjoy the northern lights

particularly well. Moreover, Erik and Vibeke were concerned about the value of knowing the northern culture to make houses and buildings that 'fit into the communities'. Erik stated as follows:

> As architects, we think it is important to be close to people and cultures here. To know something about the north. In principle, you can sit anywhere designing buildings according to the guidelines of Norwegian law for housing and property, but in practice, it is of great value to be close to the people you are designing for, in terms of knowing both the local culture and not least the local climate.

Jürgen also discusses the importance of spatial embeddedness or even spatial belonging during the start-up phase of his business. When he and his wife took over the restaurant premises in Finnmark, they decided from day one that they did not want to enter the fast food market. Rather, they wanted to use local fresh fish and meat and primarily prepare and serve traditional dishes from the rural north in order to create a sense of pride and belonging among local people in their new home place. Jürgen explained that when starting his business, he purchased a Norwegian cookbook with traditional recipes and started experimenting with dishes inspired by that book. However, in the very beginning, the customers were not always entirely satisfied with the dished served. Hence, a regular guest, an elderly local woman, offered to help them: she went through the cookbook together with Jürgen and explained what she thought local people in the community would like and dislike. In addition, she brought old recipes from her family and guided Jürgen in how to make different local dishes. Other local people additionally contributed during the start-up phase in various ways. One neighbour, for instance, brought some of his own musical instruments and suggested that Jürgen and his wife could decorate the restaurant with those instruments and occasionally invite locals to perform music from time to time. The following-up to this idea was 'not without success', as Jürgen reported enthusiastically, stating that their café was in fact turning into an important meeting place, in particular for elderly local people in the community.

The stories of Erik and Jürgen show that male immigrants may feel embedded in their new region of settlement both in relation to people, places and cultures there. Immigrants, hence, may not only represent a much needed inflow of younger people in rural areas with a typically decreasing and ageing population. In addition, they create jobs for themselves and others, which may be very significant, both economically as well as symbolically in shaping a faith in the place and its future. In addition, several of the male interviewees in this study engage socially and culturally in various ways in their new home place, thus contributing to community building and place-making in the rural north.

CONCLUSIONS

Through the analysis of unique data, this study adds to the entrepreneurship literature in several ways. First, this study highlights the gendered experiences of *male* immigrant entrepreneurs. In fact, male entrepreneurs are often treated as neutral rather than gendered actors in the literature (Ahl & Nelson, 2010). Moreover, this article identifies three distinct modes of entry into (rural immigrant) entrepreneurship and shows how they are embedded in the family and in the spatial context in which the entrepreneurs live. Regarding the family context, most of the participants highlighted the importance of

spousal support in the start-up phase. In the beginning of the interview, however, the male participants tended to represent themselves according to the hegemonic stereotype of the independent and individualist entrepreneur. But when asked explicitly, they confirmed the important significance of spousal support and family embeddedness. In fact, some of the interviewees in this study have wives who had decided to join them in the business start-up as joint partners, whereas others had wives who had retained their jobs while also contributing to their husbands' start-up process by giving emotional and sometimes instrumental support. In addition, the start-up experiences of the interviewed immigrant men have been shaped by the spatial context in which they live: spatial dimensions were highlighted in different ways in relation to the start-up and development of the businesses in the study, and several of the participants of this study were motivated by the idea of contributing to local place development in the rural north. This theme is rarely, if ever, discussed in the immigrant entrepreneurship literature. Moreover, ethnicity should not be used as an overarching explanatory factor when trying to understand variations in immigrants' engagement in self-employment. Rather, differences should be analysed in terms of the entrepreneurs' gender and migration backgrounds, family context, human and social capital and various dimensions of the spatial embeddedness of the entrepreneur in the host context. Hence, the findings in this study suggest that our understanding of immigrant entrepreneurship would benefit from developing more nuanced theoretical models attentive to gender, household situation and geographical context.

Limitations and policy implications: The interpretative methodology has been valuable for identifying modes of entry to entrepreneurship and exploring how these modes are embedded in the family and spatial contexts of the participants in this study. The results respond to the call for contributions regarding the importance of including contextual factors in the analysis of the entrepreneurial start-up phase (Brush, de Bruin, & Welter, 2009; Welter, 2011). However, this study has some limitations. First, this study has focused on a limited number of participants. Certainly, the entrepreneurial experience of male immigrants may be shaped in different ways in other contexts. It is important, therefore, not to generalise the findings to rural immigrant entrepreneurship in general. Further research is needed to examine other cases, larger samples and other contexts. In particular, whereas this article focuses on the qualitative and contextual aspects of the entrepreneurial start-up phase, future research is advised to use mixed methods to explore the qualitative *and* quantitative dimensions of the (rural) immigrant start-up phase.

This study notes that the modes of entry to rural immigrant entrepreneurship are diverse but are often related to the pursuit of an initial feeling of belonging in the new region of settlement. Hence, developing our knowledge of how to not only attract but also retain and increase the feeling of local belonging of immigrants and hence possibly increase their engagement in entrepreneurial processes may be relevant for many rural regions in the Western world, as also argued in (Munkejord, in press, 2017). Moreover, policies designed to directly encourage immigrant entrepreneurship must consider as their point of departure that variations within immigrant entrepreneurship experiences prompt the need for plural and contextualised policy initiatives.

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Author

Mai Camilla Munkejord
Senior Researcher at Uni Rokkan Centre, Bergen, Norway; Associate Professor at Department of Tourism and Northern Studies, UiT The Arctic University of Norway, Norway

Correspondence to:
Mai Camilla Munkejord
Uni Research Rokkan Centre, Nygårdsgaten 5,
N-5015 Bergen, Norway
+47 47310602
mai.munkejord@uni.no

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