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Abstract

Aims

A new wave of migrant entrepreneurs from dozens of locations across the globe has brought ‘super-diversity’ into the theme of entrepreneurship research, demonstrating strong historical continuity within the mixed embedded mainstream business environment. In a mixed embedded context, ethnic minority migrant entrepreneurship, as a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences, encompasses ethnic enclave entrepreneurs. These are increasingly fulfilling double roles in ethnic niches since many ethnic enclaves evolve into multi-ethnic neighbourhoods, and middleman minorities. They are showing increasing presences in affluent middle-class suburbs within the primary sector of mainstream economy. In particular, there is an emerging trend of ethnic minority migrant entrepreneurs breaking out of their co-ethnic markets gaining access to mainstream businesses. This paper focuses on the emerging trend of ethnic minority migrant entrepreneurs breaking out of their co-ethnic markets into mainstream economies. Through a critical review of the existing literature on theories of migrant entrepreneurship, with an emphasis on the importance of shifting from an ethnic exceptionalism perspective to a multicultural hybridism approach we re-examine the role of ethnic culture in migrant entrepreneurship. The present study aims at developing and extending the mixed embeddedness theory to the breakout context from a multicultural hybridism perspective. The study will make comparisons of breakout strategies between two under researched ethnic groups, namely African and Chinese migrant entrepreneurs in Birmingham, the second largest metropole in the UK and a global city with a significant and diverse ethnic population. To develop and extend theory on mixed embeddedness from a multicultural hybridism perspective. The current study focuses on breakout strategies in connection with four factors of migrant entrepreneurship, namely spatial structure, social capital, entrepreneurial intention and opportunity structure, under the mixed embedded social cultural context.

Methodology

Grounded theory is adopted to carry out a systematic qualitative investigation on breakout experiences of Birmingham based African and Chinese entrepreneurs. The research is designed to examine the breakout entrepreneurial experiences of two groups of enterprises from African and Chinese minority migrant community groups. It is proposed between 15 and 30 entrepreneurs will be carefully selected from the two ethnic groups based in Birmingham. Given the fact that the aim of the current research is to identify trends on a number of leading enterprises within the minority migrant business community, it is likely that a group size of 15 to 30 is a reasonable sample as a number of researches show 31 as the mean sample size with adjustment in consideration of the principle of saturation. There will be an initial quantitative analysis of the study. The purpose of the analysis is to identify the similarities and differences of the two selected groups of African and Chinese enterprises in terms of sizes, markets, capitals as well as the features of the entrepreneurs including age, gender and industrial experience. Detailed information on language, culture and home city of majority of employees as well as the entrepreneurs are recorded in order to draw an accurate picture on characteristics of multicultural hybridism for both the enterprises and the entrepreneurs. On the basis of the initial quantitative data analyses, grounded theory is used to carry out the main qualitative study, focusing on multicultural hybridism within the breakout process of migrant entrepreneurship. Longitudinal research method is adopted, and for every participant enterprise, it is expected to carry out interview on all stages of the
breakout process. Semi-structured interview is used in this research, with the researcher functioning as a listener to ask open-ended questions about the enterprise and the entrepreneur encouraging them to elaborate the stories sharing their memories, experiences and expectations.

**Contributions**

This study aims to enhance understandings towards ethnic minority migrant entrepreneurs by producing a theoretical framework to extend the mixed embeddedness theory in the context of migrant businesses breaking out of their own ethnic niche into the mainstream market. It also hopes to draw meaningful implications between culture, migration and entrepreneurship in the sphere of migrant entrepreneurship. Furthermore, the UK government policy has long been criticised for not being engaging with the changing social and economic landscape of migration. This is significant given that breaking out of the co-ethnic market into the mainstream business is of profound implications not only to economic development of both the minority groups under consideration and the mainstream local economy but also to help achieve social and cultural integration. Therefore, it firstly aims to help government agencies to produce effective policies and strategies specifically supporting minority businesses to break out of their niche market. Secondly, it hopes that initiatives and support agencies are formed in assisting the minority enterprises to enter into the mainstream market. Thirdly, it is desirable for the government to link up business support agencies, private organisations as well as government institutions together to support ethnic minority entrepreneurs not only break into the mainstream market but also integrate into the mainstream economy.

**Key Words:** Ethnic Exceptionalism, Multicultural Hybridism, Ethnic Culture, Theories of Migrant Entrepreneurship

**Conference Track**

Entrepreneurship in Minority Groups

**Presentation**

Working Paper
Social Capital, Decision-Making and Capital Resource Acquisition: A Focus on Pakistani Immigrants in South Africa

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Abstract

Social Capital, Decision-Making and Capital Resource Acquisition: A Focus on Pakistani Immigrants in South Africa

Applicability to the conference

The paper is relevant to the conference under track ‘Entrepreneurship in Minority Groups’, as it empirically investigates the extent to which social capital networks and levels of trust in the Pakistani immigrant community in South Africa impact entrepreneurial decision-making.

Considering that human migration has many effects on cultural and social arrangements, where various ethnicities have their own form of social capital and networks are structured in their own unique ways, this provides an opportunity to examine how an immigrant population is utilising social capital to improve decision-making, by leveraging human capital and financial capital acquisition.

Aim

A small, large-scale and a large, small-scale sector characterize most African economies. In between is the medium-scale sector, which has been called the missing middle in African economies. Only two percent of all African businesses have 10 or more employees. The majority are micro and small-scale enterprises that consist of one to three employees, mostly in the informal sector. In South Africa the growth and development of the small and micro-enterprise business sector, in particular, has been identified by many stakeholders as being of utmost importance in an effort to create employment and address poverty.

Over the years, xenophobic attacks by locals on various immigrant communities have taken place in South Africa. Despite these atrocities, many immigrants remain, as strong social networking ties are prevalent in these communities that make it easier for these immigrants to operate successful businesses. The purpose of this study was to empirically examine the relationship between social capital and decision-making of Pakistani immigrant entrepreneurs in Johannesburg, South Africa. More specifically the study hypothesized that social capital networks and trust would be positively related to gathering information and making faster decisions, which in turn would assist this group of entrepreneurs in acquiring higher levels of financial and human capital.

Methodology

The population for this study was Pakistani immigrants in Johannesburg, South Africa, who engage in formal or informal entrepreneurial activities. The research design was a quantitative, survey-based study, where the data was collected (n = 162) using structured questionnaires. Instrument validity and reliability was first
established with factor analysis and the hypotheses were tested using correlation and multiple regression analyses.

Contribution
The study findings reveal a positive relationship between the level of trust in the community and information acquisition for decision-making. Furthermore a positive relationship between the level of trust in the community and human capital acquisition such as tacit and explicit knowledge is established. These findings resonate with past theory and research where it is noted that the decision-making ability of the individual increases due to access to information through social networks and where human capital improves decision-making, due to knowledge that immigrant networks would share with each other. This knowledge affords immigrant entrepreneurs the opportunity to learn from the mistakes or experiences of others without having to go through the same processes. Based on the relatively modest regression results obtained for level of trust in the community and human and financial capital acquisition, it could be postulated that in an emerging country context, such as South Africa, individuals often form loosely structured networks without clear governance mechanisms to coordinate activities, pool resources, and pursue joint strategies. This means that networking is largely unstructured and spontaneous in nature amongst Pakistani immigrants in Johannesburg, South Africa. Moreover, communities tend to learn best from those that are at the same level as themselves, and tend towards emotional and personal balance across their social relations. Not only can an individual’s social network be influenced by a variety of social relations and support factors, but the greater the political and societal legitimacy of entrepreneurship in a particular region, the greater the rate of business formation. Small firms are important in innovations through their linkages with larger firms and influence a nation’s economic activity through the interplay of established, new and small firms.

In sum, these findings confirm that social capital, based on trust and networks, increases the individual’s ability to access information, which enables the individual to access various resources including human and financial capital.

Implications for policy and practice
The study findings can support policy-makers and other relevant stakeholders in channelling their interventions and resources towards helping immigrant entrepreneurs. Policy-makers need to recognise that fostering social capital amongst immigrant entrepreneurs would be beneficial to local South African entrepreneurs as well, since there needs to be continuous interaction between different business communities for a mutually beneficial relationship to be developed. As a directive for future action, it is recommended that government, equipped with a better understanding of social capital influences, facilitate the emergence of both trust and networks amongst immigrant entrepreneurs, allowing for strengthening of specific network practices, as well insuring that the benefits of co-operation increase between different groups of entrepreneurs. Such practices would allow for the development of a new type of ‘networked’ economy, where intensive development of local and international networks would transform a predominantly necessity driven informal entrepreneurship economy to a more opportunity-driven entrepreneurship economy.

Training entrepreneurs to be aware of the multiple influencing factors in networking will raise their level of sophistication and ability to correctly gauge opportunities across communities. Small business owners must develop external relationships, such as relationship strength, network size, network structure, relationship type, goal compatibility, and existing trust. An entrepreneur’s network of social ties creates opportunities for social capital transactions. External ties to others provide entrepreneurs the opportunity to leverage their resources. Thus, multiple diverse contacts are important, as diversity increases access to a wider circle of information about potential markets, new business locations, innovations, sources of capital, and potential investors.

Entrepreneurs, educators, and consultants all benefit from better understanding of how social capital and networking practices are relevant to increase entrepreneurship outcomes. The notion of community networking support may also be captured and fostered through the ‘Batho Pele’ principle in the broader South African context.

Conference Track
Entrepreneurship in Minority Groups

Presentation
Full Paper
Taking a closer look at entrepreneurship and integration: Refugee entrepreneurship in Birmingham and Cologne.

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Abstract

Taking a closer look at entrepreneurship and integration: Refugee entrepreneurship in Birmingham and Cologne.

Abstract submitted by a PhD candidate (2nd year)

Introduction

With the arrival of more than 1.4 million refugees in Europe in 2015 and 2016 (UNHCR 2019), their integration into work and society has become one of the key social issues of our time. In public discourse, labour market participation of refugees and other migrants is often equated with integration into wage labour. Although an increasing number of refugees have already become entrepreneurs and set up businesses across Europe, this alternative pathway has only recently received more attention by researchers and policy makers.

In those cases where entrepreneurship is considered a viable alternative to wage employment, policy makers tend to emphasize the role of entrepreneurship as a means for integration and social inclusion of newcomers into the host society (Rath et al. 2015; Blackburn & Ram 2006). However, only a few research studies have explicitly sought to understand how entrepreneurship among refugees and their integration are interlinked (e.g. Shneikat & Alrawadieh 2019; Sak et al. 2017). Also when considering the broader literature on migrant and ethnic minority entrepreneurship, the relation between entrepreneurship and integration – beyond the economic dimension – has only played a minor role to date (e.g. Beckers & Blumberg 2013; Zimmermann 2016). As a result, there is still scope to explore this new frontier in entrepreneurship research.

In this article, the following research question drives the investigation: How are entrepreneurship among refugees and their integration into the host society related to each other?

To address the research question, this article draws upon the experiences of refugee entrepreneurship and integration in Birmingham and Cologne. These two cities represent ‘bounded systems’ (Smith 1978) in which entrepreneurial activity takes place and are embedded in countries with contrasting welfare systems and policy approaches to refugees’ labour market integration.

Note on terminologies

Entrepreneurship is here understood broadly as business ownership (cf. Zhou 1996) and self-employment is seen as the simplest form of entrepreneurship (Blanchflower & Oswald 1998). An entrepreneur is seen as ‘an individual who organizes, operates and assumes the risk of creating new businesses’ (Baumol & Schilling 2008, p. 1) and either runs a one-person business or employs other people (OECD 2008).

The entrepreneurs included in this study are former refugees, who share the experience of forced migration. They are here described as ‘entrepreneurial refugees’. Refugees are a specific group of migrants (Carling 2017), who are different from other groups of migrants in their reasons to immigrate. While migrants as a whole can be characterized as ‘people who have moved from their usual place of residence, regardless of their legal status and their motivations for moving’ (ibid.), it is commonly understood that a refugee is ‘a person fleeing life-threatening conditions’ (Shacknove 1985, p.1). As a consequence, refugees often have to leave everything behind and therefore enter their host country with a different set of social, economic and psychological resources than other groups of migrants (Gold 1992; Betts & Collier 2017; Shneikat & Ryan 2017). In addition, refugees are often faced with a particular legal situation, which can restrict their access to the labour market (Calo et al. 2019).

Theoretical underpinning

This article adopts the concept of integration developed by Spencer and Charsley (2016), which emphasises five dimensions of integration: social, structural, cultural, civic/political and identity integration. With its focus on the interplay between the integration context and individual resources, the concept is a suitable tool to explain similarities and differences in integration processes of entrepreneurial refugees in the two case sites. Integration is regarded as a complex multi-dimensional, multi-layered and individual process that involves the efforts of both the newcomers and the host society (Penninx 2009; Ager & Strang 2010; Phillimore 2012; Charsley & Spencer 2019). It is recognised that the receiving societies themselves are ‘increasingly fluid and diverse’ (Grzymala-Kazlowska & Phillimore, 2017, p.9) and that this new complexity results in new
requirements, but also challenges for both newcomers and host societies.

**Methodology**

The research seeks to discover and understand the interaction between entrepreneurial refugees and the context in which they enact entrepreneurship (Willis 2007; Heilbrunn 2019), and how this interaction is related to integration. It therefore adheres to the interpretivist paradigm by adopting the multiple case study approach. A focus on two European cities as case sites is chosen to provide ‘situated knowledge’ (Mills & Birks 2014) about entrepreneurship among refugees. As typical for case studies, several data sources were used. The information is triangulated in order to converge the data from different sources and increase its validity (Yin 2014). The main data collection method adopted in this study is qualitative semi-structured interviews with entrepreneurial refugees as participants. Specifically, aspiring and practising entrepreneurs with a refugee background were chosen to participate in interviews. Furthermore, semi-structured interviews with key informants with formal or informal knowledge about the entrepreneurial ecosystem in both case sites were conducted. Secondary sources included a context analysis of the local entrepreneurship ecosystem, on-site observations and data from policy and media reports.

As of May 2019, 35 entrepreneurs and 10 key informants have been interviewed, with data collection still ongoing until data saturation is reached (Onwuegbuzie & Collins 2007). Research participants were identified through a mix of purposive and chain referral sampling. In order to cover a large variety of experiences (Patton 2002), the sampling goal in identifying entrepreneurs was to reach maximum variation regarding the country of origin, business sector and location, level of education, age and duration of stay. Key informants were chosen according to their knowledge about the entrepreneurial ecosystems for refugees in Birmingham and Cologne, the sampling goal being to create an expert sample. Through these sampling approaches, the study sought to achieve analytical, rather than statistical generalisation (Vershinina et al. 2011). Since participants were part of a ‘hidden’ population, the sampling processes started with a convenience sample (Heckathorn & Cameron 2017). In both cities, intermediaries were identified to facilitate access to entrepreneurs with refugee background and to establish trust between the researcher and participants (Jones et al. 2006).

**Data analysis**

In order to identify shared and diverging patterns across research participants of both case sites, thematic analysis was applied (Braun & Clarke 2013). Preliminary insights from the first set of interviews (n=45) suggest that in both case sites, entrepreneurship can have a supportive as well as a hindering impact on refugees’ social integration along the five dimensions of integration (Spencer & Charsley 2016). First insights show that the impacts per dimensions differ strongly between the two case sites. Since interview transcription and data analysis are still ongoing, the nature of these effects is still to be explored more in-depth in the course of the following months, enabling the presentation of further findings in a full article.

**Contribution and implications**

Entrepreneurship among refugees, or ‘refugee entrepreneurship’, is an emerging field of research with a need for comprehensive empirical investigation (Heilbrunn & Iannone 2019). This article contributes to the existing research body by casting light on the relation between refugee entrepreneurship and integration in two concrete city cases. By doing so, it gives valuable insights into the interplay between the actors, the entrepreneurial refugees themselves, and the context in which they enact entrepreneurship. The insights from these two case sites can lay the ground for further theory building regarding entrepreneurship and integration (Eisenhardt 1989). With its comparative and geographically bound multi-case approach, the article also contributes to a methodological gap in the broader fields of migrant and ethnic entrepreneurship studies (Ram et al. 2017; Aliaga-Isla & Rialp 2013).

On a policy level, the results can provide clues on how the existing legal and institutional frameworks for entrepreneurship among refugees support and/or hinder their integration. In relation to practice, the case studies reveal insights into the target-group specific needs among different refugee communities and business sectors, and there are clear implications as to how those diverse needs can be met.

**Conference Track**

Entrepreneurship in Minority Groups

**Presentation**

Working Paper
Identifying Opportunities and Network Ties: A Focus on African Transnational Entrepreneurs

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Abstract

Topic: Identifying Opportunities and Network Ties: A Focus on African Transnational Entrepreneurs

Applicability to the conference theme – The 2019 ISBE conference explores the theme: SPACE – exploring new frontiers and entrepreneurial places’. Our current study applies to the theme as we investigate African Transnational Entrepreneurs and the role of social networks in their opportunity identification process. The study is of particular importance to the conference theme as we offer insights to the role of social networks across borders and their role facilitating the opportunity identification of TEs.

Aim - There is a growing body of work on the increasing role transnational entrepreneurs (TEs) play facilitating cross-border entrepreneurship. Through their entrepreneurial activities these individuals function as key agents of economic change and entrepreneurial growth (Brzozowski, et al., 2014; Kim et al., 2018) in their home countries. Similarly, TEs businesses in the host countries contributes to the economic development of these countries. A key distinction of TEs from other entrepreneurs is that they are embedded in at least two environments (Urbano, et al., 2011). In other words, they engage in business and network activities in their home and host countries. TEs cross-border networks provides them with diverse resources for their businesses (Sommer and Gamper, 2018). There is a growing body of work on the role that TEs play as facilitators of entrepreneurship in their home and host countries (e.g., Bagwell, 2018; Pruthi, et al., 2018), however, what is not fully understood at present is how TEs identify business opportunities in both countries. Much of the existing literature on TEs tends to focus on the outcomes of TEs’ cross-border entrepreneurship, such as the growth and economic performance of transnational businesses (e.g. Brzozowski, et al., 2014; Kariv, et al., 2009; Neville, et al., 2014), and internationalisation by TEs (jiang, et al., 2016), rather than the antecedents (Urbano et al., 2011) of such transnational entrepreneurship.

This study therefore aims to investigate how TEs identify business opportunities in their home and host countries. In particular, we examine the form of network ties that TEs engage with in their home and host countries during the opportunity identification process. Specifically, this study examines how TEs of African origin in the United Kingdom identify business opportunities in their respective home countries and in the UK. The study also seeks to understand the form of network ties that are involved in their opportunity identification process. The relationships between many African countries and the UK date back to the colonial era, this has made the UK an attractive destination for many African immigrants. In addition, many African countries are currently faced with several challenges including: high unemployment, weak institutions, and poor institutional infrastructure, among other issues. These challenges act as ‘push factors’ (Riddle and Brinkerhoff, 2011; Riddle et al., 2010) for African immigrants to seek new livelihoods abroad.

Methodology - Given the explorative nature of this study, and its theoretical underpinnings, we adopted a qualitative approach to gather and analyse our data (Guba and Lincoln, 1994). We employed a case study research approach (Eisenhardt, 1989; Yin, 2013) utilising interviews (Kvale and Brinkman, 2009) as narratives for knowledge construction (Dyer and Wilkins, 1991) by analysing interactions between the interviewer and the interviewee. A case study method was selected because of its usefulness in detecting nuances in the ways that transnational entrepreneurs (Alliga-Isla and Rialp, 2013) identify business opportunities. In addition, this approach was deemed relevant because the study focuses on a real-life environment in which the phenomenon of opportunity identification takes place.

Contribution - This study contributes to the mainstream literature on entrepreneurship in the following ways: first, we contribute to the growing literature on African TEs) as we highlight the determinants of opportunity identification for these entrepreneurs in their home and host countries. Theoretically, we highlight the role of
Implications for practice - In conclusion, in line with above findings, it will appear that TEs draw on their formal and informal networks as they interact with their dual social fields - their home and host countries - differently. However, we present evidence to suggest differences in how TEs use their social networks as triggers of opportunity identification in the home and host countries and differences in the nature and form of networks TEs engage with at home and in the host country. We argue that specific TE human capital and the motivation to engage in cross-border entrepreneurship inform how identify cross-border businesses and engage with their transitional networks.

Keywords: Transnational Entrepreneurs, Opportunity Identification, Network Ties, African Entrepreneurs, Migrant Entrepreneurship

Conference Track
Entrepreneurship in Minority Groups

Presentation
Full Paper