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Main Session
A Resource-Based Perspective on Start-up Consulting Proposals for Refugees

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Summary
This study critically examines multiple levels of support from the current German start-up consulting landscape for refugees. Based on qualitative content analysis of 31 proposals submitted during a funding contest for refugee start-up consulting projects, the contribution reveals existing and envisaged structures for supporting refugees in founding their own company. Compared to recent literature for start-up advice for refugees and taking into consideration classical evaluation criteria of business plan contests and business incubators, common patterns are traced. The qualitative research approach also sheds light on existing support structures for migrant entrepreneurs. Here well-known resources, opportunities and hurdles of self-employed migrants have already been identified and these can be adapted in the future to the specific need of potential entrepreneurs who had to flee from their home country. Consequently, policy recommendations are highlighted.

Introduction
Startup consulting has received prominence recently in the German-speaking world. Increasing government, communal as well as private philanthropic engagement in incubators and accelerators have their role models the US and England where the popularity of self-employment is noticeably higher than in Germany. Furthermore, there has been an ongoing public and scientific debate about the effects of self-employment and SMEs on reducing unemployment (Light et al. 1994; Wilson and Portes 1980). Migrants have been shown to pursue self-employment more frequently than the general population and can be very successful founders in sectors such as high-tech (Saxenian, 1999).

Refugees compose a specialized subgroup of the immigrant population with their own unique setting e.g. the circumstances of having to flee, often abruptly having to leave the country of origin (Blaschke et al., 2015; Salikutluk, Giesecke, and Kroh, 2016). Therefore, on the one hand, they may face discrimination on the classical labor market, driving them to attempt self-employment. On the other hand, migrant entrepreneurship has recently been shown to contribute to a prosperous economy (Floeting, Reimann, and Schuleri-Hartje, 2004; Leicht, Berwing, and Langhauser, 2015) and refugees possess important resources that are relevant for self-employment. For instance, alone having fled indicates self-selection for entrepreneurial dispositions (Brücker et al. 2016).

Over one million refugees arrived in Germany in the last two years and 27 percent of these were self-employed in their home country (Brücker et al., 2016). Further, qualitative Interviews with refugees in Germany revealed that former business owners are very keen to apply their entrepreneurial experiences and soft-skills on the German labor market (Lobenstein and Rudzio, 2015). Therefore, self-employment might be a suitable measure for the challenging labor market integration of refugees which has been hardly considered (Bertelsmann Stiftung, 2016; IHK Berlin, 2016; Thränhardt, 2016). Because of the special skillset required and because of the need to overcome institutional barriers (Boettke and Coyne, 2007), the start-up consulting landscape for refugees is likely to strongly influence the success of refugee startup endeavors. This research paper aims to analyze and compare the consulting approaches and measures taken by refugee startup incubators in Germany (and to a lesser degree Austria and Switzerland) in light of existing theory to determine both the adequacy of existing theories for this setting and which support measures are effective in elevating the entrepreneurial potential of refugees. We therefore seek to answer following research questions: (1) What are the

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1 Self-employed refugees are considered to be entrepreneurs in the context of this study. This makes sense intuitively, since refugees must take a number of risks to attempt self-employment, often under highly challenging circumstances.
success criteria for refugee startup consulting in Germany? (2) Why might this be the case in light of the Resource-Based View of the firm (explained below)?

**Theoretical background**

International literature for migrant entrepreneurship stresses different push and pull factors as well as limitations for self-employment in the ethnic economy and ethnic enclaves. The assessment of migrant businesses with specific competitive assets (e.g. network ties and ethnic group solidarity) reveals central sources for migrants for their successful introduction into the host country labor market (Wilson and Portes 1980; Portes and Bach 1985; Waldinger, 1993, Light et al. 1994). Employment experience in other immigrant businesses is considered vital for learning how to overcome specific hurdles in labor market integration. This is crucial, as pre-immigration skills cannot be transferred into the economy of the host country without incurring losses (Chiswick and Miller, 2009). Beyond the demand side of the opportunity structure framework (derived from (Waldinger, Aldrich, and Robin, 1990), Kloosterman and Rath (2001) propose a three level strategy for analyzing the opportunity structure for immigrant entrepreneurship in a mixed embeddedness so that entrepreneurial resources can be stimulated and predisposing assets for self-employment encouraged.

To our knowledge, only a small number of qualitative studies, mostly based on interviews, focus on refugee entrepreneurship (Fong et al., 2007; Sänger, et al., 2016; Wauters and Lambrecht, 2008). Therein, expert interviews with refugees and other stakeholders of labor market institutions explore refugees’ resources, barriers and opportunities when founding their own businesses. Wauters and Lambrecht (2008) dissociate immigrants from refugees and account for the special needs of the latter that suffer more from higher barriers regarding market opportunities, access to entrepreneurship, human capital, social networks and societal environment. Fong et al. interviews 50 refugees, service providers and technical assistance providers and these reveal challenges to the startup process on multiple levels (e.g. individual, family, organization and community). The authors highlight competing commitments (e.g. between venture and family), the need to acknowledge the heterogeneity of individual refugees and that to successfully assist refugee startups, support organizations and structures should foster literacy and financial training and require high community involvement.

Based on secondary data and expert interviews, Sänger et al. (2016) derive recommendations for German politics and economic support agencies for activating the entrepreneurial potential of refugees. The key recommendations can be summarized by favoring inclusive and interlinked support structures, hiring consultants with intercultural skills that are specialized in advising migrant businesses, sensitizing institutional support structures for refugees (BA, BAMF, IQ Network, BMAS3), elaborating adequate detection of skills and qualifications, advisory measures and the creation of legal and financial knowledge structures.

However, none of these papers focus on the resource-based view (RBV), a key theoretical framework regarding the utilization of motivation, skills and experience in (refugee) entrepreneurship.

**The Resource-Based View**

The resource-based view conceptualizes the firm as a bundle of resources, both tangible and intangible. To achieve competitive advantage, key resources (core assets and capabilities) must be identified, evaluated according to their strategic value to the firm and protected (Barney, 1991; Peteraf, 1993).

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2 Our preliminary success criteria include: the overall learning outcome (e.g. skills acquired including business acumen and knowledge of the local language), the ability to retain participants in a given incubator/startup support program, the outcome in terms of successful self-employment (which will become successively known in 2017 and 2018 as the NGO programs are still in progress) or other labor market integration outcomes.

This is applicable to the context of refugee entrepreneurs, as they bring their unique personal resources with them, in the form of human capital, financial capital and social capital (Brüderl et al, 2009).

**Human Capital**

Human capital can be defined as “the stock of knowledge, habits, social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value” (Becker, 1962). For refugee entrepreneurs, knowledge and habits acquired by formal and informal education and training as well as paid and unpaid work experience are particularly relevant here. Pre-migration business experience and English fluency are seen as key indicators of personal resources (Min & Bozorgmehr, 2000). Since refugees often have to flee their country abruptly, they may have only partial degrees or degrees that have not yet been recognized by the new host country. Similarly, they often have to interrupt their employment or training. Further, they are likely to have little or no knowledge of the local language in their new host country, where reaching any near-fluent level can take many years. In addition to such competitive disadvantages in terms of know-how, refugee entrepreneurs may have post-traumatic stress symptoms, particularly when they stem from war-torn territories or have experienced other forms of violence. In addition, refugees have to divide their attention between adapting to a new environment and their entrepreneurial endeavours.

Refugee startup consulting projects are likely to show significant variation in the degree of human capital they bring to the table, in terms of both general startup consulting experience and more specific experience consulting migrant or refugee entrepreneurs. Therefore we posit:

**Hypothesis H1:** Human Capital has a positive impact on the success of refugee startup consulting.

**Financial Capital**

New businesses must typically overcome the cash-flow valley of death until breaks even is reached (Moore, 1995). This is typically accomplished with the help of bank loans, money from friends and family or in some cases angel investors or venture capital firms. Migrants can be dependent on personal savings for capitalization (Light & Gold, 2000; Min & Bozorgmehr, 2000). Refugees face financial hurdles above and beyond those of migrants. First, refugees can spend their entire savings on human trafficking to the point that they may owe a significant debt even after arrival. They also lack a credit history in the country of arrival, where they may not even be permitted to open a bank account. Refugees that are lucky enough to have the identification documents and legal permission to open an account and have some sort of credit history, may face discrimination by loan officers or bank policies. This problem of capital acquisition is further strengthened by the often abrupt separation of refugees from their families and friends, who may be out of reach for quite some time after arrival.

Not only the refugee entrepreneurs face capital restrictions, but also the ngos/incubators, who are often dependent on the support of donations or cause-related sponsoring foundations. Therefore, we expect that:

**Hypothesis H2:** Financial Capital has a positive impact on the success of refugee startup consulting.

**Social Capital**

A network can be defined as ‘the set of social relations or social ties among a set of actors and the actors themselves thus linked’ (Emirbayer & Goodwin, 1994). The importance of networks for entrepreneurial success is well known (e.g. Brown & Butler, 1993). Light views ethnic resources as the major factor facilitating the entrepreneurial performance of ethnic communities (Light, 1972; Light, 1984). Following Greene, ethnic resources take the form of family support structures, labor assistance and pooling of financial resources, in addition to intra-family loans or private loans that assist in the startup phase of new ventures (Greene, 1997; Min, 2000). Ethnic resources can also take the form of co-ethnic employees, customers or supplies (Min & Bozorgmehr, 2000; Yoon, 1997). Refugees may not have a choice of where to settle in a host country (e.g. in Germany), which can
inhibit the formation of ethnic enclaves. Given their abrupt arrival, they are unlikely to have formed strong network ties in their new local settings and similarly, are likely to lack a significant number of weak ties, which have been shown to offer new resources for organizational development (Wu & Choi, 2004) as well as to facilitate startup growth, help explore new opportunities and to help attain market success (Peng & Zhou, 2005).

Social capital is, however, just as important for the constants/incubator staff. These can pass on their strong and weak links to the financial services sector to facilitate loan applications for the refugees they advise or help navigate the local institutional landscape (e.g. tax offices, unemployment offices, trade chambers, etc.). Therefore we posit:

*Hypothesis H3: Social Capital has a positive impact on the success of refugee startup consulting.*

**Methodology**

We employ a qualitative analytical and interpretative multiple case study approach (Yin, 2003) utilizing qualitative content analysis (Krippendorff, 2004) of 31 project proposals evaluated during the month of April 2017 as part of a competitive selection process for external funding for NGO-led refugee support projects in Germany, Austria and Switzerland. The proposals vary in length from 3-4 pages to approximately 30 pages.

Evaluation criteria of the contest included the innovativeness of the refugee consulting and recruitment approach, the degree of follow-up support after the project phase, incorporation into existing social structures, embeddedness in the institutional framework (i.e. cooperation with unemployment offices and trade chambers), dedication to specialized target group of refugees, non-profit business models and classical business project success criteria. The later included team member experience, scalability of the consulting concept, professionalism and completeness of the proposal (including financial projections) and evaluation methods.

We chose a qualitative case study methodology because this avenue is known to be particularly fruitful for new and emerging fields, where phenomena are in need of further exploration and there are multiple contingencies that suggest the importance of the respective context. In our explorative content analysis, we depart from a premise of the resource-based view (RBV). Based on our findings, we aim to test the explanatory power of the RBV for the highly complex context conditions of refugee entrepreneurship, and if necessary, extend the framework. Therefore, our inductive approach aims at theory-building, with the goal of generalizing from the specific (Saunders et al, 2009). Beginning with close observation of the data, we then seek to uncover recurring patterns therein that lead to our hypotheses in an iterative process, until we believe theoretical saturation is reached. In terms of sampling, we begin by analyzing the successful grant proposals, as these offer the highest learning potential for our research questions. A further comparison of the winning projects with less prominent proposals will provide further insights into best practice examples of refugee start-up consulting.

Following the guidelines of Strauss and Corbin (1990), our coding process was as follows: we first used open coding, allowing the data to speak and based on our intuitions from the resource-based view. As we successively iterated through each proposal, this list of codes was successively extended and filled with quotes. Those items that had few or no occurrences were dropped unless essential from a theoretical or practical perspective. Next, redundant codes were eliminated. During the selective coding process, codes were brought into relation to each other. Finally, during axial coding, higher level constructs emerged.

**Preliminary Analysis**

Based on the first set of startup consulting proposals, the coding process resulted in 38 codes. These were grouped into the higher level categories recruiting measures, market entry support, knowledge transfer, long-term support and consulting project attributes. The construct ‘consulting project attributes’, for instance, contains codes that capture the degree to which the respective project proposal
considers the aspects mentioned, e.g. experience of the team, legal form of the applicant, timespan of
the proposed project, the degree to which goals and the consulting methodology were explicit, ties to
other project, budget and goals.

While analysis is in a very early phase, the variation observable among the project proposals is striking.
First, the difference in overall proposal length can be seen as a signal of effort and/or quality. Second,
only few teams had members with previous experience consulting startups, and only some of these had
experience with self-employed migrants. Also, while some proposals listed other funding sources (e.g.
non-profit foundations) few proposals included significant own funding for the project. This may be
due to the social mission of these proposed projects, as ventures with social goals (e.g. assisting
refugees into the labor market as entrepreneurs) are often judged on emotional grounds, whereas profit-
oriented ventures are judged on more rational measures (e.g., Gritchnik, Smeja and Welpe, 2010).

Discussion of expected findings and contributions

Based on our learnings on the core phenomena from the submitted proposals, we draw best practice
insights for refugee startup consulting services and test our assumptions on the resource-based view
of the firm. First, we summarize the mechanisms frequently employed by such organizations and derive
theoretical implications for different types of resources of refugee entrepreneurs. Next, we derive
implications for policy and practice, particularly for the German-speaking realm.

The insights gained from real life business support projects from refugees indicate to which extent the
existing business support structures for founders with and without a migrant background can serve as
a support basis for refugee start-up efforts. By doing so, we attempt to distinguish which offerings
need to be adapted to the special needs of the specific target group of refugees. In addition, further
prerequisites for successful refugee startup consulting concepts can be detected, such as the needs for
additional personal assistance, training and qualification for advisors and mentors.

Preliminary recommendations can be characterized by the features and skillsets of consultants and
cooperating partners, language education measures, personal support networks, institutional
embeddedness and the ability to sense, seize and overcome refugee specific hurdles in the founding
process.

We find a number of limitations in current proposals, such as insufficient attention to critical success
factors suggested by the literature such as language and psychosocial variables specific to the refugee
situation (Behrensen and Groß, 2004; IHK Berlin, 2016; Liebau and Schacht, 2016; Rich, 2016), weak
communication strategies, absent skill audits. In addition, general project management best practices,
such as conducting a project risk-benefit analysis, having a realistic timeline, etc. were partly
neglected.

The collaboration of an international network of organizations that included self-employment as an
alternative integration strategy into the labor market, indicates that refugee self-employment has been
established in the global political discourse. Further, interesting side aspects were detected on basis of
the analyzed proposals consisting of franchising business models where spin-offs are activated through
social entrepreneurship, promoting self-employment of refugees.

First, based on the qualitative analysis of a unique dataset of startup consulting proposals in Germany,
Austria and Switzerland, our study contributes to the ongoing debate on the role of skills in migrant
entrepreneurship especially in the form of education and previous self-employment experience. Second,
we expect to contribute to research on the resource based view of the firm, by ascertaining its
degree of explanatory power for refugee entrepreneurship. Finally, given the recent migration waves
in Europe and other parts of the world, we believe that both policy and accelerators/incubators stand

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4 It is premature for us to evaluate the concrete outcome of the startup consulting projects proposed (i.e. the number of
startups generated per participant and their survival rate), as these are still in progress. Such evaluation is planned at a
later date.
to benefit from further knowledge of best practices for supporting refugee entrepreneurs that can be derived from this study.

Limitations

Currently, we can only make preliminary recommendations based on the project proposals that applied for additional funding and were positively vs. negatively evaluated by expert judges and ourselves. It is premature to evaluate the concrete outcome of the startup consulting projects proposed (i.e. the number of startups generated per participant and their survival rate), as these are still in progress. Such evaluation is planned at a later date. Similarly, until the analysis is finalized, we can not yet say with certainty, whether or not the resource-based view in its current form is adequate to explain the phenomena of refugee entrepreneurship.

Finally, given the specific institutional conditions in Germany, and the overrepresentation of certain origin countries (e.g. Syria) the results may not fully generalize to refugee entrepreneurs in other countries.

References


Refugees and meaningful work: The role of social entrepreneurship

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Context and aims

On the one hand, "refugees pouring into Europe from Africa and the Middle East have arguably created the greatest crisis for the European Experiment since it began after World War 2" (Koltai, 2016:1). On the other hand, the German unemployment rate is lowest since German reunification (Federal Employment Agency (BA), 2017). Yet somewhat paradoxically, refugees have considerably low occupational employment rates in their new home country Germany (Institute of Labor Market and Employment Research (IAB), 2015). This has resulted in a situation where the demand for labor in Germany is exceptionally high, while refugees are not able to exploit this situation to find meaningful work. This research paper strives to shed light on the role of social entrepreneurship in overcoming this disconnect by supporting refugees to find meaningful work. The main research question of this paper is: How can social entrepreneurship assist in supporting refugees to find meaningful work?

Conceptual framing

Social entrepreneurship refers to innovative activities focused leveraging resources to address social problems, often using business as vehicle (Dacin, et al., 2010). Numerous models of social entrepreneurship have been observed as the phenomenon has grown over the past two decades (Alter, 2006). Drawing on and modifying the social enterprise typology of Alter (2006), this paper focuses on four different business models of social entrepreneurship that are relevant to supporting refugees finding meaningful work:

1) Work Integration Social Enterprises’ (WISE) - which assist with refugee labor-market integration through training and employment (Borzaga and Defourny, 2004)
2) Entrepreneurship support models - which act as incubators for refugee entrepreneurship, providing professional and business instruction and guidance along with social support (Scaramuzzi, 2002)
3) Market intermediary models - which provide market access (employment) to the target population (refugees).
4) Market linkage models - which assist qualified refugees to find work aligned with their prior working profession.

The common thread across these four models of support is the focus on assisting refugees to find meaningful work. There are multiple academic definitions and concepts describing meaningful work that focus on the relationship between work and wellbeing (Arnold, 2007). There is no empirical academic research however about the concept of meaningful work for refugees, who undergo extreme circumstances within their escape and integration process. A sub-question of this research paper therefore is to understand the concept of meaningful work for refugees in Germany. Overall, this exploratory research aims to provide knowledgeable insights for social enterprise models enabling refugees to find meaningful work in Germany.

Methods

This research adopts a qualitative case study approach to study the role of the four different business models supporting refugees finding meaningful work in Germany. Each case was purposefully selected to gain an in depth understanding of the different models. The case selection approach focused on selecting cases that could be viewed as polar types in which the processes of supporting refugees is ‘transparently observable’ (Pettigrew, 1988). This way of systematic sampling and choosing polar
types helps to extend the current state of knowledge since the four cases chosen represent differentiated ways of supporting refugees.

Case study research is ‘much more convincing and accurate if it is based on several different sources of information following a corroborative mode’ (Yin, 1994). This research accessed multiple data sources including direct observations and interviews with company stakeholders (including founders, employees and refugees) and documentary analysis of company websites, social media channels, reports and press articles. The analysis focused on identifying patterns between the social enterprise models, to expose cross-case similarities and differences in their roles of supporting refugees finding meaningful work. Within this analytical phase, the method of systematic combining was used. The main characteristic of this approach is a continuous movement between an empirical world and a model world (Dubois, 2002).

Findings

The findings from the research reveal the barriers and enablers for finding meaningful work and highlight the role of co-creation between social entrepreneurs and refugees in developing effective business models and lasting employment outcomes.

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Hope in migration and refugee entrepreneurship: First considerations on the role of hope

Jörg Freiling (Universität Bremen)
Sivaram (Ram) Vemuri (Charles Darwin University)

Classic entrepreneurs are resilient, energetic, highly motivated and typically hopeful that they will ‘make it’ (Morrow, 2006). Idea- and goal-driven, they develop their business concepts that are sometimes counter-intuitive and frame-breaking. However, the reality of entrepreneurship is diverse. Many entrepreneurship types deviate from the classical type as for context, content and/or process. This may hold particularly for migrants and diasporans on one side and for refugees on the other. Migrant and diaspora entrepreneurs mostly leave their home country purposefully and migrate to a country where they want to spend at least a next section of their life – hoping to improve their former situation, often by building on inter-cultural competency and a reservoir of ideas fueled by their mixed embeddedness (Kloosterman et al., 1999; Harima et al., 2016). Refugee entrepreneurs, instead, often have faced traumatic events, dispose of very limited (tangible) resources, are less connected with the host country and, due to persecution, have a rather restricted set of options (Wauters & Lambrecht, 2008).

Although the situation of migration and diaspora entrepreneurs (MDE) is – compared to the one of refugee entrepreneurs (RE) – quite different in many regards, these kinds of transnational entrepreneurship (Drori et al., 2009) have something important in common: entrepreneurship is a vehicle to achieve livelihood in a completely new setting at least in regional and cultural terms. As entrepreneurship is an endeavor with high levels of uncertainty (e.g. Knight, 1921), both MDE and RE have to find a way how to cope with uncertainty and additional liabilities (newness, smallness, adolescence, foreignness) with the expectation to achieve goals like livelihood. In other words, those entrepreneurs start with the hope of attaining such goals. Without hope, activities like transnational entrepreneurship of these groups would not take place. Hope itself, however, can inspire, motivate and activate the involved people in such a manner that goal attainment becomes more likely – to some extent resting on the level of hope. Against this background, we raise the research question: which role does hope play in MDE and RE? Besides this first attempt to clarify the role of hope in transnational entrepreneurship, this paper also enhances research on the neglected positive psychological issues (Seligman, 1995). Moreover, the paper prepares the ground for follow-up empirical research on the topic by developing a first set of propositions derived from prior research.

(Business) Literature has largely ignored the role of hope in entrepreneurship. Despite some articles in organizational behavior studies (Luthans and Jensen, 2002; Luthans and Youssef, 2007) and a very limited number of publications in entrepreneurship research (Morrow, 2006), the role of hope is still unclear. Building on prior interdisciplinary research, we can conceptualize hope based on insights from psychology and business studies as follows. Hope reflects positive traits based on individual’s perception that ‘goals can be met’ (Stotland, 1969). As Snyder et al. (1991) argue, hope is an important trait that is subjectively defined by the individual. A two-dimensional analysis of hope is suggested involving pathways (way power) and agency (will power) (Snyder et al., 1991; Luthans and Jensen, 2002; Morrow, 2006). The former dimension is how individuals formulate strategies for reaching a goal. The focus of the latter is on the individual capacity to use strategies to reach the goal. At any given point in time these dimensions interact with each other to represent individual’s goal directed thinking and, finally, to attain goals (Morrow, 2006). As MDE and RE related goals, livelihood seems to be a sound constructs that takes into account the ambitions and the state of migrants and refugees as entrepreneurs. Haas (2010: 244) defines livelihood as “capabilities, assets (including both material and social resources), and activities required for a means of living”.

Drawing on earlier research in psychology and organizational behavior, hope connects present expectations with future realizations and hence is subjective based on past experiences as well as
individual mental models. Dealing with the question whether hope is more of the preventive or enhancing kind (Snyder and Feldman, 2000), in transnational entrepreneurship hope may play a different role in MDE and RE. We propose:

P1. Whereas hope in MDE predominantly is of enhancing kind (improving a given situation in a country-of-origin purposefully by migration), in RE it is of preventing kind.

The reason for this is the fact that refugees want to prevent more detrimental states of life. Besides that, MDE is based on a ‘voluntary double separation’ both from the country-of-origin (COO) and diasporas in the country-of-residence (COR). RE, instead, is a result of ‘forced separation’ from COO and ‘voluntary separation’ from societies in COR. The above differentiation is highly relevant as migrants and refugees as potential entrepreneurs realize completely different situations of their minds – with refugees coping with traumata (Wauters and Lambrecht, 2008). For the beginning of the entrepreneurial process, this makes a huge difference, as we propose:

P2. MDE and RE differ both in pathways and agency, with RE at a lower level of will power and way power compared to MDE.

The run of events during the entrepreneurial process and its outcome is another issue. Generally, research on hope argues that the level of hope influences the success of business owners (Luthans and Jensen, 2002; Morrow, 2006). Translated to the setting of transnational entrepreneurship, one can propose:

P3. Hope in MDE and RE is positively related to goal achievement, i.e. livelihood.

P4. Due to higher levels of hope in early steps of business development, MDE compared to RE are in a privileged position.

Nevertheless, prior research suggests that hope is not a determined variable, but can be influenced via approaches like training interventions (Luthans and Jensen, 2002; Morrow, 2006). Insofar, there are opportunities for RE to increase the levels of will power and way power significantly. We propose:

P5. Transnational entrepreneurs may increase their hope levels by external support.

Case study research according to Yin (2009) allows a first reality of these propositions as it helps uncovering the background of hope and its drivers. The case studies should rest primarily on interviews of entrepreneurs and people close to them, accompanied by observations of the researchers. This kind of research allows translating available findings to transnational entrepreneurship where hope seems to play a pivotal role, but was not applied in this kind before.

Current findings on hope in business life suggest that the old saying “where there is a will, there is a way” is only partly correct (Luthans and Jensen, 2002; Luthans and Youssef, 2007). ‘Way and will’ stand in a close and obviously recursive and self-reinforcing relationship. This has implications for both MDE and RE. There has to be a certain ‘balance’ of both cornerstones to set up a business successfully so that it will at least ensure livelihood. If this balance is not given right from the scratch, there are opportunities to leverage the level of one or even the two components at least by external interventions.

As a follow-up step of this research project, however, it could be useful to connect psychological and philosophical threads of research on hope as hope was conceptualized in philosophy as well – and in a different manner as psychology did.
References


African Returnee Academics: An exploration of self-initiated expatriation, migration and diaspora entrepreneurship education

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Abstract

This study seeks to highlight key motivational influences for African academics’ self-initiated expatriation (SIE) from the diaspora. Using as a case illustration of Ghanaian and Nigerian academics, the study explores south–north–south migration processes and the implications of these for regional studies. While there have been quite a few studies on the internationalization of higher education, most of these have bordered around the curriculum and international students in a range of regions including the United States (Stephan and Levin, 2001), United Kingdom, Australia and the United Arab Emirates (Madichie and Kolo, 2013; Schoepp and Forstenlechner 2012). As a consequence, this study contributes to the discourse by exploring (i) the perspective of teaching staff (academics); (ii) applying the theoretical lens of self-initiated expatriation (Doherty, 2013; Schoepp and Forstenlechner; 2012; Biemann and Andersen, 2010). From an initial review of the literature the study notes that Stephan and Levin (2001) studied the exceptional contributions to US science by the foreign born and foreign-educated. Tremblay (2005) touched upon academic mobility and immigration; and van Dalen and Henkens (2007) explored the “longing for the good life” as a potential driver for emigration from a high-income country. While Biemann and Andersen (2010) questioned whether “self-initiated foreign expatriates versus assigned expatriates” constituted “two distinct types of international careers,” described the challenges of “balancing the profession and financial rewards” of the “self-initiated expatriate faculty in the UAE.” Against the above backdrop, this study seeks to highlight the motivations, intentions, expectations, and experiences of returnee/ diaspora/ transnational academics. Case illustrations are drawn from four recipient African countries and/or contexts – Nigeria, Ghana, South Africa and Uganda, using a convenience sampling technique.

Keywords: African Returnee Academics; Self-initiated expatriation, Transnational Diaspora Academics;

References


Return-migrant entrepreneurship in Armenia: Possibilities and realities

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Return migration has been increasingly gaining prominence in migration research as well as in migration policies across the world. However, in some regions, such as the Caucasus, the phenomenon of return migration is little explored despite its significance for the region as well as for its neighborhood, such as the European Union states. This study aims to fill in this gap by focusing on return migration to Armenia and mapping the experience of the recent returnees and expectations of the potential returnees. While doing this, it focuses on returnee entrepreneurship as one of the avenues of promoting economic growth in Armenia. This paper covers voluntary returnees as well as the participants of the assisted voluntary return and reintegration (AVRR) programs as it presents the case for the multiplicity of return migration experience with some ramifications for the development of the country of origin. Experience of diverse groups of (potential) entrepreneurs is taken into consideration in order to discuss the perceived barriers for returnee entrepreneurship in Armenia. This study uses semi-structured qualitative interviews with returnees and key informants in Armenia as well as online surveys with Armenian migrants currently living outside of Armenia. It covers the broader areas affecting the return and reintegration policies as well as the organizations participating in the process of return and offering assistance to prospective returnees. It shows different motivations for return and argues that the motivation to return affects the overall reintegration experience that is important for starting a successful (entrepreneurial) project upon return. Finally, it finds that the former country of settlement is not that significant when it comes to returnee reintegration back in Armenia but the returnees’ levels of skills and social capital matter which is consistent with other studies on return migration.
How does The ‘Man-Know-Man’ Network Culture Influence Opportunity Formation Amongst Nigerian Diaspora Entrepreneurs in Ireland?

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Abstract

Research shows that ethnic networking plays an important role in business opportunity formation amongst immigrant entrepreneurs across the globe (Geldigsen, 2007). Thus, a home-country network advantage is vital during the entrepreneurial start-up phase; since it contributes to the development of diaspora entrepreneurial opportunity formation in the host country. This study proposes to investigate the influence of man-know-man (a network cultural paradigm in which favours are granted based on prior knowledge, and not by merits) on Nigerian diaspora entrepreneurial activities in Ireland, in order to identify how it influences their opportunity formation approach (Guler and Guillen (2006). Consequently, a comprehensive review of academic papers on the home-country network, and related papers in the fields of ethnic culture, and psychology will be explored and investigated in order to identify how man-know-man concept impacts (a concept that bears similarity with the Chinese Guanxi network culture) Nigerian diaspora entrepreneurial opportunity formation practice in Ireland.

Due to scant literature on the ‘man-know-man’ networking phenomenal, little is known about the man-known-man network culture. As a result, contextualising theories from the literature will allow a deep understanding of how man-know-man network applies amongst Nigerian diaspora entrepreneurs in Ireland. Cultural theories indicated that networks differ between ethnic communities, governments, and private sectors alike. In the same way, business networking differs between countries. For example, the Chinese ‘Guanxi’ networking’ approach is similar to the Nigeria man-know-man network. Portes and Sensenbrenner (1993) discovered in their study on the Cuban Americans in Miami that the presence of the Cuban network culture in Miami aided Cuban entrepreneurial start-ups, thus, facilitated the development of Cuban businesses. Invariably, this idea of networking simply focuses on investigating the nature of influence ‘familiarity’ plays during informal business contractual dealings amongst Nigerian diaspora entrepreneurs. Unlike other forms of business networks, man-know-man speeds up the process of entrepreneurial activities between parties accustomed to this practice based on strict prior knowledge of each other. It suffices to state that a recognition of ‘man-know-man’ in business activities eliminates formal process, and boost confidence, and trust amongst members. Man-know-man as a home-country network can thus be described as an informal networking system amongst groups sharing a common ethnic origin, and cultural identities to gain an advantage, and support in exchange for useful business-related information on new venture developments. Simply put, the concept of ‘man-know-man’ can be defined as a shortcut to due process.

In the same way business, networking practice holds a strong position in the formation of entrepreneurial start-ups, the concept of man-know-man plays a significant role in business opportunity formation amongst Nigerian diaspora entrepreneurs. However, Suzanne (1999) approached ‘entrepreneurial network’ as “an association of entrepreneurs organized formally or informally, with the objective of increasing the effectiveness of members’ business activities”. In addition, entrepreneurship opportunity is defined “as situations in which new goods, services, raw materials, markets and organizing methods can be introduced into the formation of new means, ends, or means-ends relationship” (Eehhardt and Shane, 2003). Similarly, it has been argued that entrepreneurship had been redefined to focus on how opportunities are discovered, evaluated, and exploited (Shane and Venkataraman, 2000). Furthermore, Lindau (2007) acknowledged that families and communities are the conduit of entrepreneurship for start-ups. Although ‘man-know-man’ represents trustworthiness amongst Nigerian diaspora entrepreneurs, it can also be subjectively
described as an instrument used by diaspora ethnic groups to endow mutual benefits on parties in a business relationship (Guler and Guillen, 2005). Thus, the man-know-man concept can well be identified with the Cosbo model ‘on country of origin as a source of business opportunity’.

In retrospect, the application of ‘man-know-man’ concept in entrepreneurship reduces formal process requirements often considered, and implemented in the traditional business approach to opportunity formation. Just as Shane (2000) acknowledged that ‘prior knowledge’ plays an important role in opportunity recognition, and formation, it could be argued that the concept of ‘man-know-man’ requires that parties must have pre-knowledge of each other (old acquaintances). Thus, ‘man-know-man’ as described in this context eliminates all formal processes, and by extension, the common approach to opportunity formation. As such, the aim of this study is to analyse the effects of the man-know-man network on Nigerian diaspora entrepreneurs in Ireland, in order to identify how variations in business networks between home, and host countries influence their entrepreneurial activities. To achieve this goal, this study will explore theories, and related papers on cultural networks to allow the researchers use justifiable arguments to support research conclusions. Hence, this study is important, and thus, contributes to academic knowledge by explaining how a popular Nigerian networking concept (man-know-man), (also common in Cameroon), influence entrepreneurship opportunity formation amongst Nigerian diaspora entrepreneurs in Dublin.

References:


How do formal and informal ties affect work patterns and environment of self-employed lawyers of Turkish origin in Germany?

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Research question

My overarching research question is how formal (i.e. professional) and informal (i.e. family and friends) ties affect the work patterns and environment of self-employed lawyers with Turkish background in Germany. To address this overarching research question I first identify the supporting network structure (i.e. consultancy with regard to their business, in kind, as well as emotional) of the analyzed entrepreneurs and categorize what kind of concrete benefits they receive through their personal ties. Furthermore, I analyze their networks structure (formal and informal) with regard to the question if they are coined predominantly co-ethnic as the ethnic entrepreneurship literature suggests.

Theoretical background

Ethnic entrepreneurship models mainly shed some light on entrepreneurial ventures of low skilled migrants. Entrepreneurship research on networks of newly founded ventures of high skilled entrepreneurs is identifying benefits of social ties but does not analyze if there are differences in the specific support for migrant entrepreneurs in comparison with entrepreneurs without migration history (Brüderl, Preisendörfer, und Ziegler 2009). However, literature has shown that even high skilled migrant entrepreneurs are often lacking the social capital of entrepreneurs without migration background. (Schaland 2009) shows that lawyers with migration background more often have to rely on co-ethnic client networks. I.e. even if they aim at broader (in terms of ethnicity) client networks, they often have to rely on co-ethnic clients (and thereby loose presumably more economical beneficial opportunities).

Methodology

Based on literature a semi structured questionnaire suitable for qualitative research was designed. Seven problem-centered qualitative interviews with layers of Turkish origin were conducted. Predominant topics such as the process of foundation, their client network and weak and strong ties with colleagues were discussed. Interviews were tape-recorded and transcribed and have been analyzed through a ‘Qualitative content analysis’ by Mayring using the coding software MAXQDA 12 (Mayring 2015).

Results

There are several benefits the lawyers with Turkish migration background receive. Relevant actors in their personal network are life partners, siblings, former fellow students, colleagues and their clients. Their network is coined strongly, but not predominantly (as the ethnic entrepreneurship literature suggests) co-ethnic. There is no evidence for the reason being ‘ethnic solidarity’ as argued by (Bonacich und Modell 1980). Co-ethnic co-entrepreneurs might be explained through homophily effects dating back to their studies leading to social ties with persons that have similar sociodemographic backgrounds. This in turn led to common foundation after graduating. Their co-ethnic clients might be explained through their language and cultural skills. Benefits gained of their personal ties are support regarding their market entry, learning about best practices of their job activity when starting their business, access to clients, support with private matters such as child care and emotional support. Furthermore they might also lead to international cooperation and have reputational effects.


The evolution of Turkish entrepreneurship in Ghent and impact on socioeconomic integration from a mixed embeddedness approach

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Beginning with the early 1980s, in many advanced economies small firms and self-employment have been considered a panacea to stimulate competitiveness, economic growth, employment, innovation and flexibility (Kloosterman, 2003). At the March 2000 Lisbon European Council, the heads of state or government of the EU15 decided to improve the EU’s performance in the areas of employment, economic reform and social cohesion, in attempt to be better positioned in a post-industrial economy, also promoting entrepreneurship in Europe a core objective of the EU.

The Entrepreneurship 2020 Action Plan, presented by the European Commission in 2013, stated that to make entrepreneurship the growth engine of the EU’s economy, Europe needs a ‘thorough, far-reaching cultural change’. In order to create “More entrepreneurs for Europe” three action pillars were formulated, among which ‘Role models and reaching out to specific groups, namely women, seniors, the unemployed, young people and migrants. Migrants in particular have been recognized as an important pool of potential entrepreneurs. It has been acknowledged that relative to natives, migrants are more likely to set up businesses and can substantially contribute to growth and job creation in the EU (EC, 2012a; 2015). It may also be a viable route for the economic incorporation and thus integration of immigrants and their children (EC, 2015; EESC, 2012).

Today Turkish migrants and their descendants are among the largest non-EU migrant and non-EU migrant entrepreneurial groups in many European countries. During the last decennia, an extensive body of literature has been produced on the increasing entrepreneurial activity of the Turkish diaspora in traditional migration countries in Europe. Yet, relative to the study of Turkish entrepreneurs in Germany and the Netherlands, the case of Turkish entrepreneurship in Belgium has drawn much less attention, despite presently hosting more than 150,000 people who were born with the Turkish nationality (Schoonvaere, 2013:5). As migrant entrepreneurship tends to be concentrated in cities (Marchand and Siegel, 2014:3), research conducted at the local level is considered particularly valuable. The city of Ghent, Belgium’s third most populated city1 following Brussels and Antwerp, provides an interesting case as unlike in other Belgian cities the population of Turkish origin by far constitutes the largest origin group (21,809 or 8.8 % of the total population) and the increase in entrepreneurial activities by Turks is well known (De Bock, 2012; Verhaeghe et al., 2012, De Gendt, 2014).

De Bock (2014) made a study of Turkish entrepreneurship in Ghent from 1960 until 1980. Verhaeghe et al. (2012: 14-24) and the non-academic work of De Gendt (2014: 118-127, 201-212) included a study of the emergence and the evolution of Turkish entrepreneurship in their more general studies on the integration of Turkish migrants. Verhaeghe et al. (2012: 14-24) claim that since the end of the 1990s the Turks in Ghent have been moving away from the ethnic enclave into an ethnic mosaic, whereby the ethnic economy is for instance no longer exclusively directed at the own ethnic group. The qualitative study of Bonne et al (2014) primarily focused on the social networks of Turkish entrepreneurship in Ghent. Still, the literature devoted to the entrepreneurial activities of the Turks in Ghent, is rather scarce. Hitherto studies on Turkish entrepreneurship have also insufficiently explored relations between the micro-, meso- and macro-level in explaining the emergence and success of

1 While Ghent is Belgium’s third most populated city, it is the second most populated Municipality, owing to the fragmentation of the city of Brussels into 19 different Municipalities. In Flanders, Ghent is both the second most populated city and Municipality, following Antwerp.
Turkish entrepreneurship. While entrepreneurial success of migrants can be assessed in various ways, measuring the socioeconomic integration of migrant entrepreneurs is the most relevant dimension of integration in the context of immigrant entrepreneurship (Marchand and Siegel, 2014:13).

This paper aims to provide a retrospect on the evolution of the type of Turkish businesses in Ghent over different generations, determine the key micro-, meso- and/or macro-level factors which have lead to the emergence of Turkish entrepreneurship as of the mid-1960s until today, and the impact on socioeconomic integration into the local society. Literature on Turkish entrepreneurship in Ghent will be analysed from a mixed embeddedness perspective, and be related to the socioeconomic integration model of Verhaeghe et al. (2012: 21). Particular attention is given to the first (1974) and second wave of Turkish entrepreneurs (1980s) and entrepreneurship as of the late 1990s. The research shows that while Turkish entrepreneurs have been predominantly active in the retail trade and (accommodation and) food service sectors, over time they have engaged in a growing variety of businesses. While in different periods different factors have played a significant role in the emergence of entrepreneurship, equally similarities can be discerned such as the continuing availability of a Turkish customer market. While originally entrepreneurship largely contributed to segregation, over time affluent entrepreneurs have contributed to the development of an ethnic mosaic.
Entrepreneurship as a Pathway to Economic Integration for Refugees? 
Quantitative Insights into the Resources of Former Immigration Cohorts in Germany

Carina Hartmann (University of Mannheim)

Refugees are mostly assessed as an especially vulnerable subgroup of migrants when it comes to labor market integration (OECD, 2016). Having to flee translates often in traumatic experiences. Furthermore, it impede a thorough preparation for a fast economic integration in the host country and causes manifold disadvantages for refugees on the classical labor market (Hauff and Vaglum, 1993; Liebau and Schacht, 2016; Salikutluk, Giesecke and Kroh, 2016). Therefore, it is worth taking a look on entrepreneurship as a means of economic integration in the country of arrival. Few studies have examined entrepreneurship\(^1\) as an alternative pathway of labor market integration for asylum seekers. Existing evidence and migrant entrepreneurship models (e.g. Kloosterman and Rath, 2001; Waldinger, Aldrich and Ward, 1990) suggest that refugee entrepreneurs are able to integrate in the host country’s economy via self-employment (e.g. Fong, et al, 2007; Wauters and Lambrecht, 2008).

The specific set of resource of (in)formal human capital for entrepreneurial activity are subject of a multifaceted and interdisciplinary research stream of economics, sociology and psychology (Brüderl et al, 2009). Cognitive resources account for positive selection effects in entrepreneurship (Baron, 2006). This holds especially true for resources like risk-affinity (Brixy, Sternberg and Stüber, 2008; Caliendo, Fossen and Kritikos, 2009; Müller, 2015). However, imperfectly transferable formal and informal human capital in the conditions of forced migration may cause a time lag until refugees start up their business in the host country. Further, this fact may account for overeducation with respect to their employment position (Chiswick and Miller, 2009). Besides, there is inconclusive evidence in the socioeconomic debate about self-employment as a means of upward mobility for migrants and refugees (Leicht, Berwing and Langhauser, 2015) when glass ceilings on the classic labor market inhibit the adequate pay-off of qualified labor. This proposal sheds light on individual resources and predispositions of self-employed asylum seekers on the supply side of the market that account for their economic integration in Germany.

In a quantitative research design it is aimed to answer from a resource based perspective whether entrepreneurship results in a suitable approach for successful labor market integration of refugees. Therefore, the following research questions are formulated

RQ1: Is there a potential self-selection of refugee entrepreneurs based on their informal resources?

RQ2: How long does it take refugees to transfer formal and informal human capital as entrepreneurs on the host country market?

RQ3: Regarding the formal and informal qualifications of refugees in the host country economy: Does self-employment translate in a more adequate job profile compared to dependent employment?

Severe methodological challenges regarding the operationalization of representative data sources of refugee entrepreneurs prevented quantitative insights in their group characteristics namely predisposing factors and resource mobilization so far.

The triangulation of data sources between the 2014 ad-hoc module of German Microcensus and the IAB Migration Sample of the Institute for Employment Research (IAB) and German Socio Economic Panel (SOEP) reveal potentials for economic integration and mobility of refugee entrepreneurs. The data sources comprise different facets of refugee entrepreneurs’ resources on the supply side of the host country market. The variables of interest consist in risk affinity, time lag until entrepreneurial

\(^1\) For the sake of simplicity the term self-employment and entrepreneurship as well as refugees and asylum-seekers are used interchangeably in the present proposal
exploitation of formal and informal resources and the skill match of qualifications. First, risk bearing attitudes are determined through self-assessment. Second, the duration of residence in the receiving country until starting up gives an objective indication for the productive implementation of entrepreneurial resources. If the time lag increases, the existing (in)formal resources need to be further developed after arriving the host country. Third, subjective and objective quantitative measures of the productive use of the formal qualifications give an indication about the pay offs of self-employed refugees in comparison to dependent employment.

Due to an increasing heterogeneity in the group composition of migrants and refugees (Leicht et al, 2017), research on migrant and refugee entrepreneurship became more complex. Past opportunity structures and group characteristics cannot be taken for granted in today’s socio-economic conditions and labor market instruments. Even though, the quantitative findings on resources and opportunities from former refugee immigration cohorts serve as valuable input for shaping the research stream of refugee entrepreneurs’ resource recognition and mobilization. Moreover, in terms of wider policy guidelines for labor market and entrepreneurial education may enable refugee entrepreneurs to apply their resources more productively on the market.

References


Synergetic Refugee Entrepreneurship Education

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Abstract

Over the last decade there has been a growing interest in entrepreneurship education (EE) research. Especially the question how to design EE-programmes and measure their impact has become a major point of interest (Bae et al. 2014; Duval-Couetil 2013; Griffiths et al. 2012; Vesper & Gartner 1997). It has become obvious, that effects of EE depend on different circumstances based, among others, on the learners’ individual cognitive constitution or pre-educational (entrepreneurial) experience (Fayolle & Gailly 2015). Referring to individual identity-aspects research focuses on categories of inequality like gender, the level of education or occupation with increasing attention in order to develop requirements for the design of entrepreneurial learning arrangements. At least since the conflicts in Syria in 2012 another category of inequality has become a major issue in Germany: the background of forced migration. Although EE can be of growing interest to refugees, it has been very rarely taken into account by researchers. There is a lack of explanations of why and how EE-programmes support an understanding from participants, especially the group of refugees, towards an understanding of dealing with complex and uncertain environments. Therefore the research project focuses on the following question:

How can entrepreneurial learning arrangements for refugees be designed in an adequate way in order to develop an entrepreneurial mindset?

To answer this question a theoretical underpinning is necessary. Right now, only some journals within the immigrant literature are focusing especially on refugees and a theoretical underpinning is missing. The objective of this research is to model a refugee EE-process and develop a theoretical model for refugee EE. Though EE is a complex process (Lichtenstein et al. 2007; Mason 2006; Sarasvathy 2008; Read et al. 2009), the theory of synergetics as a complexity theory of self-organization (Haken, 1984) will be the starting point for the refugee EE-model. Self-organization theories are already introduced into entrepreneurship research to identify relevant interdependencies during an entrepreneurship process (Lichtenstein 2000; Lichtenstein et al. 2007). This research provides an extended model which takes the needs and preconditions of refugee students into account. The theory of synergetics enables us to take a new and theoretical based perspective on EE-programmes for refugees. By using this theory, the EE-process will be displayed as a model. Based on this model, further research like measuring the effect of EE-programmes or deriving new methods to encourage a behaviour of refugees to handle the complex and uncertain entrepreneurship process can be conducted theory-based.

Starting point of the research project is a deeper look at refugees. It is important to differentiate between voluntary immigrants and the more specific group of refugees with regard to entrepreneurship. The fundamental difference between both types of immigrants is that voluntary immigrants left their country of their own free will, refugees instead fled from persecution or armed conflict. Many studies (e.g. Gold 1988, Bernard 1977 and Hauf and Vaglum 1993) point out the differences between both groups. On the other hand, Bernard (1977, p. 277) found out that the differences are more of degree rather than of type. One assumption is, that preconditions for refugees to become an entrepreneur are more difficult than for voluntary immigrants. Earlier research (e.g. Sternberg et al. 2016) proves that immigrants have a higher affinity to become self-employed than non-migrants. Is it possible to conclude from this, that refugees, who have come to Europe since 2015 are also more likely to start their own business? Sternberg et al. reminds to handle these carefully
because most of the immigrant entrepreneurs in the last decade came from eastern Europe (e.g. Russia and Poland) and not from countries where most refugees are from. In 2015 most asylum applicants came from Syria (35.9%), Albania (12.2%), Kosovo (7.6%), Afghanistan (7.1%) and Iraq (6.7%) (ibid, p. 8 pp.). As already mentioned it is of high importance for suitable EE, to know the learners individual and group cognitive constitution or pre-educational (entrepreneurial) experience. These first insights explain, that there is a more differentiate picture needed to understand how to design EE for refugees.

Based on the this the outcomes will be combined with the theory of synergetics. Synergetic is an interdisciplinary approach and describes a self-organized system which is characterized by openness, dynamics and complexity (Schiepek et al. 1997, p. 122). The theory of synergetics differentiates between control parameter, order parameters, the macro- and microscopic system level and the environment and system constraints. With regard to EE the control parameters address different aspects such as knowledge, motivation or resources (Liening et al. 2016, p. 106 pp.). In the case of refugees the group-specific control parameters will be analyzed. The research will give future directions about which other elements of the synergetic model are meaningful for analyzing refugee EE.

As a final step a synergetic-student-refugee-entrepreneurship model will be derived. This model constitutes a potential starting point for a theoretically based discussion and further practical research.

References


The role of digitalization in overcoming the challenges of collective entrepreneurship: The case of labor market integration for refugees in Germany

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Context

The civil war in Syria, and associated wealth inequalities, has caused recent resettlements of millions of people in Europe. According to the German Institute of Migration and Refugees (2017), 1.3 million refugees have entered Germany since 2014. Gaining meaningful employment has been highlighted as a central factor for integrating refugees in new host societies (Migration Policy Institute, 2012). Germany presents an interesting context in which to explore the role of employment in integrating refugees as Germany is currently facing a record low joblessness rate, resulting in a lack of qualified employees in various fields (German Institute of Employment, 2015; 2016). At the same time, recent statistics suggest that only half of refugees resettled have been able to find work (Institute of Employment and Labor Market Research, 2017), with most acquiring unskilled jobs that were not representative of their prior skills and experience. This situation is partly explained by the complexities of the integration in areas of legal framework, bureaucratic processes, language barriers, recognition of prior qualifications, and cultural differences. As a response to the high levels of unemployment amongst refugees in Germany, multiple stakeholders including public institutions, private companies, NGOs and social enterprise are engaging in the process of refugee integration, resulting in the emergence of new forms of cross sector social partnerships (CSSPs).

Conceptual framing

This paper aims to explore the emergence of these CSSPs as an example of collective entrepreneurship. CSSPs refer to intersectoral collaboration between public, private and nonprofits organizations that address social problems and market failure (Le Ber & Branzei, 2010). Cross sector partnerships enable resource and information sharing to tackle complex social issues that are beyond the scope of individual organizations (Bryson, Crosby, & Stone, 2006; Van Tulder, Seitanidi, Crane, & Brammer, 2015). Learning across sector can is arguably the key to achieving social innovation and developing new business models (Yunus, Moingeon, & Lehmann-Ortega, 2010). CSSPs can be understood as an example of collective entrepreneurship as multiple actors are involved in the processes of opportunity recognition, value transformation and innovation (Burress & Cook, 2009).

Due to variations in core values, strategy and structure, challenges are likely to emerge in the everyday activities of CSSPs (Babiak & Thibault, 2009). Power imbalances, competition, lack of commitment and management effort as well as lost trust can lead to malfunctioning CSSPs (Lawrence & Phillips, 2006; Selsky & Parker, 2005). Additional obstacles include geographical dispersion, lack of incentives and confusion surrounding control and objectives (Babiak & Thibault, 2009; Selsky & Parker, 2005. Overcoming failure and achieving success in CSSPs relies on relational processes (Le Ber & Branzei, 2010). This paper seeks to understand the role of digitalization in overcoming the challenges and facilitating effecting partnerships.

The paper aims to understand the role of digitalization in supporting collective entrepreneurship focused on refugee integration. The digital revolution driven by automation, big data, the internet of things and crowd working has the potential to fundamentally change the labor market (Stettes, 2017). The digital revolution offers opportunities for social innovation, with Big and Open Linked data (BOLD) providing possibilities for data collaboratives to form the basis for the next generation of CSSPs (Janssen, Konopnicki, Snowdon, & Ojo). The paper examines the influence of these digitalization processes on CSSPs focused on the labor market integration of refugees in Germany.
Method

A qualitative multiple case study is used as a flexible, sensitive research method to obtain a rich and in depth understanding of the nature of processes and applications linked to digitalization in collective entrepreneurship (Ritchie & Lewis, 2003).

The following four cases were chosen to provide heterogeneous examples of CSSPs utilizing digitalization to engage in collective entrepreneurship focused on refugee integration:

- **Migration Hub Network (MHN)** – a platform focused on creating and supporting partnerships between organizations co-designing solutions around mass migration.

- **ReDi School** - a collaboration between Paula Schwarz, the founder of MHN, and Cisco focused on helping refugees gain programming skills and prepare them for the job entry.

- **Techfugees** – a social enterprise that facilitates technological solutions to problems in detention centers and organizes hackathons to tackle issues of refugee.

- **Refugee on Rails** – which is focused on teaching programming skills to refugees.

Data on each of the cases included interviews, participant observation and documentary analysis.

Findings

Our paper reveals two main findings surrounding the role of digitalization in overcoming the challenges of CSSPs and collective entrepreneurship: (i) the use of BOLD and e-government can make cooperation more flexible and responsive to unexpected shocks (e.g. new policy decisions); (ii) networked partnerships can facilitate mission alignment and shared impact measurement between key stakeholders.

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Exploring factors Mediterranean family business owners located in UK consider important when planning for intergenerational succession

Youssef El Shaikh (Brunel University London)

Family businesses are prevalent across the globe, spanning a wide range of industries and operational contexts. Within the context of the UK there are migrant family businesses that have successfully operated for hundreds of years and effectively survived from generation to generation. However, there are many more businesses that are closed down or sold after the passing or retirement of the owner even when there may be viable members of the family that could (theoretically) take over the company. Family owned businesses differ from many other organisations since ownership and control of the company overlaps with the family issues, business issues, cultural implications of the family’s background and strength of social network. A key issue for the founders and owners of family owned businesses in addition to mitigating the overlap of challenges, is intergenerational succession (Carr, Chrisman, Chua & Steier, 2016). This study reviews the factors considers by owners of family businesses when planning for such an event. The theory of intergenerational succession from owner’s perspective has been explored by researchers such as Birley; (1999, 2000, 2001) and Stravrou & Swiercz (1998). Their studies considered the characteristics of family owned business and the succession planning process with emphasis on the importance of understanding succession. The research presents intergenerational succession as a planned event in which family members are interacting and creating new possibilities for themselves, their lives and businesses whilst drawing upon past events, happenings, experiences and conversations that have gone before. Especially with the increased number of migrant families from Mediterranean arriving in Europe. Along with political shifts across Europe that is influencing changes in immigration policies. Finally, the ‘Brexit’ process makes this research important and timely to understand intergenerational succession and the use of diaspora networks during this period of change and uncertainty.

The literature suggests that succession is yet to be understood from many family business owners (Gilding, Gregory & Cosson, 2013; Dalpiaz, Tracey & Phillips, 2014; Helin & Jabiri, 2015). The focus of this study is migrant family owned business from Mediterranean backgrounds located in the UK. Prevailing studies suggest that the concept of succession planning has not been understood from the perspective of positively exploiting diaspora based networks of Mediterranean families. This conjecture builds on the research conducted by Kitching, Smallbone and Athayde (2009), which addressed how and under what circumstances do diaspora based networks enable or constrain business competitiveness, within the context of ethnic diasporas in London. The results from the study presented support to models of ethnic entrepreneurship in transnational activity, because the results proposed a national context within the structure of opportunities and resources for ethnic entrepreneurs. Diaspora based networks is described as a soft social power, that is globally connected, with connection of country of birth.

This study addresses an important gap between family business intergenerational succession, diaspora based networks, and the nature of Ethnic Entrepreneurship in the context of Mediterranean entrepreneurial families in UK. It is intended that the findings of this study will provide a valuable insight into the thought process of business owners and the actions they take when planning for succession. Through a comparison with existing theory in the area it may be possible to identify some of factors leading to the high failure rate of succession planning in family owned businesses.
Key literary themes influencing the FOB Owner in the context of this study are as demonstrated below:
Economy of Family Affairs: 
The contribution of migrant-led family firms to innovation and labour market integration

Teita Bijedic (Institut für Mittelstandsforschung (IfM) Bonn) 
Olga Suprinovic (Institut für Mittelstandsforschung (IfM) Bonn)

Migrant enterprises have a significant impact on the national economy. In Germany, the number of migrant entrepreneurs is steadily on the rise, while the number of native entrepreneurs slowly decreases (Statistisches Bundesamt 2009, 2017). Therefore, it comes with no surprise that migrant entrepreneurship is a highly recognized phenomenon within the entrepreneurship research community as well as in political discussions. While there is already a significant body of research work and knowledge regarding migrant entrepreneurship, there are still many questions remaining unanswered. Especially in case of Germany, family firms are a constitutional part of national economy with a very long tradition and recognition. While they provide over 90% of jobs within the private sector (Wolter 2017) and are a popular subject of economic and management research, the subgroup of migrant-led family firms remains still unexplored.

To close this research gap, we analyse the prevalence and characteristics of migrant-led family firms. Besides the key statistics, we focus on differences between migrant-led and natives-led family firms. Our main research question regards the differences in innovation and personnel strategies that serve their innovation and labour integration functions within the national economy.

Theory and Hypotheses

Within the concept of Mixed Embeddedness by Kloosterman et al. (1999), it is argued that migrant entrepreneurs do not face same market conditions as native entrepreneurs due to the lack of knowledge about the regional conditions, and a discriminatory environment as well as regulatory framework. This leads to lesser resources which forces them to focus on markets with lower resource and expertise demands and results in a lack opportunity to generate a high income. At the same time, according to the resource based view, migrant-led entrepreneurs have human and social resources that native entrepreneurs do not have: their ethnic networks social and human capital, which can partly compensate the disadvantages caused by migrant status in the target society (Yang et al. 2012; Ley 2006).

Data Base and Methods

We conducted a quantitative online survey among companies in Germany in autumn and winter 2016/2017. The survey consists of several questions regarding the structure of the companies, their market strategies, information about their personnel structure, financing, leadership and ownership structures as well as succession plans. The sample was generated out of Markus data base, which is provided by Creditreform, the largest credit reference agency in Germany, and contains data of approximately 2 Million companies. We generated a stratified random sample of 30,448 companies based on the company size and economic sectors. In total, we received 1,389 responses. Our adjusted sample consists of 989 completed surveys. In order to be able to make generalize, we weighted the descriptive results. Furthermore, we plan to conduct regression analyses for the upcoming conference.

Preliminary Results

10% of companies that operate in Germany are migrant-led family firms. They contribute about 4% of the total gross revenues and 5% of all jobs in the private sector. While they employ less labour force with a vocational training, the share of employed academics within migrant-led family firms is similar to their share in native-led family firms. Migrant-led family firms employ slightly more wage earners with low qualifications. 56% of migrant-led family firms employ migrants, while only 24% of native-
led family firms report migrant employees. Migrant-led family firms offer vocational training less often than native-led family firms, but employ more migrant vocational trainees.

Migrant-led family firms operate more often on international markets than native-led family firms, although the region of origin does not play a crucial role in the international market strategy. Migrant-led family firms generate innovations more often (63%) than native-led family firms (51%). Nearly every innovation active migrant-led family firm reports product or service innovations (99%) while this only applies to 82% of native-led family firms. In general, they do not report more financing difficulties than native-led family firms, but have smaller and less wide networks. Also, while both groups focus on private contacts within their networks, migrant-led family firms have far less contacts to business associations and chambers.

**Outlook, Discussion, and Implications**

Overall, migrant-led family firms are on average smaller and younger than native-led family firms. With one out of ten firms in Germany being identified as migrant-led family firms, they make a significant contribution to the labour market as well as to the gross domestic product. Contrary to the prevalent stereotypes, they do not rely primarily on the culture of their origin regarding their market strategies, but they are contributing to labour market integration of migrants in general by hiring, as well training migrants more often than native-led family firms. Finally, they are adding significantly to the innovation activity in German economy.

We plan to conduct regression analyses in order to analyse determinants of innovation and integration functions of family firms and will discuss the implications based on the results.
Ethnic entrepreneurship of second-generation immigrants and its business characteristics.
The case of Vietnamese next generations immigrant in Germany.

Cat My Dang (University of Bremen)

The increasing number of immigrants and their descendants in recent decades have changed the traditional economic study on immigrant entrepreneurship. The entrepreneurship of next generations immigrant offers a hybridism of either firm performances or embedded markets. Since the next generation immigrants embedded themselves as members in the mainstream market without barriers, their ethnic businesses have been breaking-out traditional markets of immigrant entrepreneurship (Masurel et al. 2004; Baycan-Levent et al. 2005; Arrighetti et al. 2014). Moreover, remained connections to the ethnic community propose an unique proposition for those entrepreneurs to explore unexploited entrepreneurial opportunities (Decker 2015). Ethnic entrepreneurship of next-generation immigrants can be variously performed depending on individual competences of entrepreneurs and their target market. On one hand, ambitious young generations immigrant tend to expand businesses to the mainstream market and formal network (Masurel et al. 2004; Baycan-Levent et al. 2008). On the other hand, because of the resources utilized by those entrepreneurs as well as the nature of their products and services, those ethnic businesses are different from those managed by native entrepreneurs (Portes & Zhou 1992). They can be take advantages from the ethnic network to create their protected market, proper labor force and loyal customers (Basu 1998; Deakins 1999; Dyer & Ross 2000).

Coming to Germany in early of 1950s, the number of Vietnamese immigrant in Germany had increased in the year of 1975 and years after as a result of political refugee wages arriving to West of Germany. The second wage of Vietnamese immigrant coming to Germany was contract workers in East of Germany from 1980s. This ethnic community is the only group including the significant number of immigrants from both immigrant wages in Germany. Despite of the differences in immigrant background, the offspring of Vietnamese immigrant in Germany has been recorded as one of the most successful group in the country (Spiewak 2009). They are now joining to the labor market and many of them are self-employers. Considering the ethnic characteristics and potential embeddedness of the next-generation Vietnamese immigrant in either ethnic market or mainstream market, the study is going to identify their business performances. The following research questions are analyzed:

1. How does ethnicity involve in ethnic entrepreneurship of next-generations Vietnamese immigrants?
2. Which factors could drive Vietnamese entrepreneurs in next-generations immigrant come to their ethnic market?

The study conducts interviews with entrepreneurs in the next-generations Vietnamese immigrants in Germany to explore those research questions. Instead of the diversity of their businesses, the ethnic entrepreneurship is selected because its products and services have strong connections to the ethnic community. Our findings state that while their ethnicity is one of the key factors which enhance their ethnic business, there are restrictions of their full-access to the ethnic community because of the gap among generations and the differences in ability to integrate. Furthermore, as the next-generation immigrants who were born or grew up in the host country, the descendants of Vietnamese immigrants embedded more in the local community, this characteristic could become their advantage in growing demand for traditional ethnic market.

References


Refugee entrepreneurship

Jane Ruparanganda (Charles Darwin University)
Edouard Ndjamba Ndjoku (Congolese Community, Darwin NT, Australia)
Sivaram (Ram) Vemuri (Charles Darwin University)

Abstract

This paper aims to positively express the economic contributions of refugees through entrepreneurship.

Research regarding migrant and diaspora entrepreneurship has been thoroughly conducted. The research did not fully explore the refugee entrepreneurs who have socially contributed to the economy of various nations. While it is true that when refugees are accepted in a nation, it is the responsibility of that nation to look after them. This can be depicted negatively as draining a nation’s economy. Some of these refugees are no longer dependent on the government subsidy. They have either gone into formal employment or embarked into entrepreneurship like Edouard. This paper found that refugee entrepreneurs are providing substantial economic benefits to nations which fall on the commercial aspect of entrepreneurship.

The paper narrates the journey of a refugee from The Democratic Republic of Congo, who travelled from his homeland through various countries seeking for assistance until he was granted a refugee status and accepted in Australia. It also explains how Edouard went from refugee to entrepreneur. He did his best to live a life of independency when he got employment through networking until he was able to overcome all the challenges and barriers and joined the business community. He has contributed economically to the nation of Australia through his business.

This paper highlights some of the challenges faced by Edouard in starting his business in Darwin, Australia; which were failure to raise capital since he had no credit history, assets or security. He had a French background with a little English. His qualifications were not recognised in Australia.

Despite all these odds and ends, Edouard fulfilled his passion of being in business when he embarked into entrepreneurship in 2013. He proved that when the spirit of success is in an individual, they will live to fulfil their dreams. This is revealed throughout the paper when he tells his story on how he travelled from Democratic Republic of Congo to Australia on a humanitarian visa. He moved from government assistance – Centrelink into formal employment until he was able to embark into business as an entrepreneur. His business and a few refugee businesses have drawn a lot of attention from the African society including migrants.

This paper has also identified the different products sold in the business which come from different nations including Australia. The products in the shop are aimed to satisfy people from all walks of life mainly the African community. When refugees enter into business, they give support to their fellow refugees who share the same passion or being entrepreneurs within their communities. This is one attribute shared by Edouard, to mentor other refugees who are business minded.

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The findings in this paper defy the delusions about refugees. On the other hand, there is need to give refugees entrepreneurs the support they need to grow their businesses as well as the complex challenges they face in starting new business (Kasem, Laila (2016)). This will assist in job creation thereby reducing unemployment. When refugees from different nations embark into business they create diversity to benefit all people.

Refugees are strong willed people; they are overcomers as one considers how they have endured hardships. Edouard is a very good example of a strong willed young man. He like other refugees went through a lot of troubles which include witnessing war and strife, losing their loved ones and also being
separated from their loved ones as they fled for their lives. Despite all this, he remained focussed in search for a better life which landed him in Australia.

While refugees are running away from nations for various reasons which include war, persecution, natural disasters among many, when they are given the opportunity they can be of great help socially and economically. Therefore they cannot be painted with one brush of draining government funds.
Developing the research strategies in exploring the legal and illegal entrepreneurial activities of Rohingya refugee camps in Bangladesh

Cherry Cheung (London South Bank University)  
Caleb Kwong (University of Essex)  
Shamsul Karim (University of Essex)

In this conference paper, we intend to develop a conceptual framework to explore exploring the legal and illegal entrepreneurial activities of Rohingya refugee camps in Bangladesh.

The Rohingya have faced many bouts of crisis in the past, but the 2016-2017 military crackdowns is arguably one of the most intense prosecution in recent history. Amongst the 1.1-1.3 million Rohingya that was estimated to have lived in Myanmar (BBC, 2015). As a result of the recent bouts of conflict, it is estimated that over 900,000 Rohingya refugees have fled in nearby South Asian countries, 400,000 of which went to neighbouring Bangladesh (Washington Post, 2017), while more than 100,000 were internally displaced (the Guardian, 2012). The humanitarian tragedy that is regularly reported on the news has tremendous economic and social consequences. Many have lost all their possessions, family and their livelihoods. They also faced discriminations or restrictions in finding employment in their host location. Therefore, entrepreneurship presents a potential remedy in enabling them to become self-sufficient. However, it is unclear the type of entrepreneurial behaviour developed within the host formally, and it has been widely suggested that illegal entrepreneurship, both in terms of the illegitimate operations of legitimate goods (such as food and other daily used items), as well as illegal ones (such as drugs and prostitutions), to be rife in the informal and the semi-formal economies.

Our planned research intends to examine the different legal and illegal entrepreneurial activities these displaced entrepreneurs have embarked upon. Our focus of research will be in one (more multiple) refugee camps in Bangladesh near the border with Myanmar.

We will explain our intended process research, the people involved in the data collection, the procedures, and the people we intend to interview. To get a more rounded view of the entrepreneurial activities that took place in the camp, we intend not only to interview refugee entrepreneurs, but also camp workers, as well as other support workers involved.

In terms of the literature, we intend to present relevant literature on illegal entrepreneurship and on displaced entrepreneurship. We would like to discuss the existing literature in the field, and how it presents a strong framework for this particular study. Consistent with Webb et al., (2009), we intend to draw from three theoretical levels to develop our conceptual framework: micro (individual), maso (group) and macro (institutional). For macro, we intend to use institutional theory to explore the boundaries around formal and informal economies to explain why illegal entrepreneurship occur. In many cases, formal institutional pressure push entrepreneurial individuals to go outside the boundary of formal economy to look for business opportunities. At the maso level, we intend to deploy collective identity theory (Lounsbury & Glynn, 2001; Polletta & Jasper, 2001), to illustrate the nature of collaboration in the informal economy. These could be people who share similar identifies with them (e.g. fellow refugees) but also those outside the camp remit, such as local suppliers. This level is crucial in understanding how informal economy entrepreneurs create and arranged, such as access factor and product markets that substitute for the institutional void. At the individual level, we deploy effectuation (Sarasavathy, 2001) to examine the entrepreneurial process.

References


Examining the role of vocational training for economic reintegration of repatriated refugees in Liberia

Naohiko Omata (University of Oxford)
Noriko Takahashi (United Nations Industrial Development Organization, Vienna International Centre)

Abstract

Drawing on field-research conducted in 2014 and 2016, this presentation examines the impact of United Nations Industrial Development Organization’s vocational training programmes on the economic reintegration of Liberian refugee returnees. The reintegration of refugees who are repatriating to war-devastated environments remains one of the most daunting challenges in post-crisis recovery. Nowadays, the average length of refugees’ exile is more than 20 years. During protracted exile, key livelihood assets of the displaced are usually lost or stolen; in addition, most war-affected states with returning refugees have insufficient capacities to fulfil the economic demands of society at large. Oftentimes after repatriation, returnees struggle to survive below the poverty line with few livelihood options in the face of these onerous challenges.

These daunting challenges call for international assistance to facilitate the economic reintegration of returning refugees. As one form of such support, providing vocational and entrepreneurial training has been mainstreamed by aid agencies as an intervention to develop livelihood skills of returnees and to promote their economic reinsertion to their country of origin. However, there are relatively few follow-up studies that measure impacts for trained beneficiaries after the completion of programmes, particularly over a relatively long time frame. Given the scarcity of such studies, two years after the completion of UNIDO’s programme, we traced the former beneficiaries who participated in the trainings that aimed to promote the economic reintegration of Liberian returnees. In this paper, we present the main findings on employment and livelihood situations of these beneficiaries and explore the impact of training programmes on these returnees.

Between 2013 and 2014, UNIDO provided vocational and entrepreneurial training programmes in Liberia for some 1,000 repatriated refugees to facilitate the process of economic reintegration. Between October and December 2014, the research team carried out a study involving 74 beneficiaries of these programmes to understand the impact of the UNIDO trainings on their livelihood conditions. The initial study showed mixed findings about the impact of programmes on the returnees. Even after completing the training programmes, the majority of trainees remained jobless.

This study identified two key factors that affected the ability of returnees to establish livelihoods. First, both prior to and during the period of research in late 2014, Liberia was severely hit by economic hardship due to the prevalence of the deadly Ebola virus. The devastating epidemic had a significant impact on the reconstruction of livelihoods of repatriating refugees in Liberia. Second, data collection (October to December 2014) was carried out within a few months after the completion of the training programmes, which may not have been a sufficient duration to effectively capture the full long-term impact of the training programmes.

Against this backdrop, we decided to conduct a follow-up study between August and September 2016 involving the original participants from the 2014 study. In summary, passing of two years since the completion of training programmes, the employment conditions and socio-economic status of training beneficiaries have generally improved compared to the initial research. As the negative impact of the Ebola crisis has largely disappeared, the percentage of those with some forms of job or livelihood activities saw a steep increase from the previous research. Meanwhile, even after two years,
not all beneficiaries of training programmes have secured income-generating activities. In-depth research with them elucidates some limitations of vocational education for job-searching of repatriated Liberians. Drawing on empirical evidence, this presentation provides **valuable insights into the role of training programmes for economic reintegration and entrepreneurship of returned refugees and also offers practical implications for aid practitioners and policy-makers.**
How Emotional Ties Influence the Investment Activities of Diaspora Entrepreneurs in Their Homeland

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Besnik A. Krasniqi (University of Prishtina)

Abstract

This article examines how emotional ties influence the investment activities of diaspora entrepreneurs. Drawing on interviews with diaspora entrepreneurs operating in the post-conflict economy of Kosovo, the article finds that they are faced with numerous institutional barriers associated with a developing economy; however, emotional ties provide them with the motivation to overcome challenges. At the same time, these ties also direct their activities towards low profit but socially valuable ventures, with a key driver being a desire to have a long-term societal impact. The article concludes by drawing implications for theory and policy.

Research on the influence of emotions on entrepreneurial activity is rare, although it has started to make in-roads into entrepreneurship research. Yet there remains a paucity of empirical research which examines emotional ties as a motivating factor for diaspora entrepreneurs. As studies of intentions have set the stage for in-depth examinations of intentions in conflict and post-conflict zones, this article aims to fill this research gap through an examination of the role of emotions in diaspora entrepreneurship in post-conflict environments. In doing so, the research demonstrates that emotions are a key motivational factor which not only assist entrepreneurs in overcoming institutional challenges, but also directs their activities towards social outcomes.

Diaspora entrepreneurs have significant potential to contribute to development, with those from countries who have experienced conflict possessing strong feelings of duty and obligation to their home country. The international experience acquired by the diaspora entrepreneurs means that they can supplement informal institutions of norms and values in their home country, while at the same time allowing them to overcome formal institutional barriers. The article shows that the emotional tie has multiple impacts on the diaspora entrepreneurs’ motivations and activity. In the first instance, emotions equip the diaspora with the motivation to overcome inherent institutional challenges. These emotions mean that diaspora motivations are primarily altruistic, and differ from those of traditional entrepreneurs. Second, these emotional ties direct investment towards entrepreneurial activity which aims to have a societal impact, rather than being aimed at maximising profits. The findings demonstrate that diaspora entrepreneurs are aiming to have an impact beyond their immediate entrepreneurial activity, and often consider the particular economic and social issues present within their homeland when devising and developing their activities, and often possess non-pecuniary motivations. In the case of Kosovo, the diaspora entrepreneurs seek to assist with acute demographic challenges, specifically helping young people to develop employability and entrepreneurial skills, as well increasing the participation of females in the labour market. These issues are in part due to legacies of conflict and thus have a strong emotional pull on the diaspora entrepreneurs. In addition, the analysis shows that there is a geographical dimension to investments, with many respondents actively avoiding the capital city in favour of other locations which allow them to avoid political attention. Given that post-conflict environments possess under-developed institutional environments with often high levels of corruption, this is in one sense unsurprising. However, despite these challenges, diaspora entrepreneurs do still invest. They utilise the skills and knowledge they have acquired in their host country, as well as their emotional motivation and close family networks, to overcome barriers. If policy makers are to engage more successfully with diaspora entrepreneurs and maximise the potential of their investments, institutional improvements, including the tackling of corruption, need to be prioritised. Understanding the role of emotions in entrepreneurial activity is of significant importance, and in this article we show how the positive emotion associated with a desire to help their homeland
acts as a driver for diaspora investment. At the same time, the negative emotion associated with risk and fear will act to stymie this investment. In many cases, these negative emotions have been overcome; however, wide-ranging institutional reforms are required if this emotional tie is not to dwindle from generation to generation.
Motivation and Demands of Entrepreneurial Refugees

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Abstract

The following paper will question what kind of motivation and needs refugee entrepreneurs in Germany have.

Due to the high migration of refugees in the last two years, a growth of refugee entrepreneurship will be expected to develop in Germany in the next few years.

As we gathered already stable findings of the development and institutionalism of migrant entrepreneurship, it will be analysed if the needs of refugee entrepreneurs differ from the requirements that migrants needed.

To analyse what kind of support structure should be provided for refugees, the motivation, which leads to the decision to start a business, should be taken into account.

If the interdependency of intrinsic and extrinsic (push- and pull) factors leads to a foundation, it will have a positive contribution to the maintenance of a business as it positively impacts the power of endurance, the level of frustration, the willingness to make an effort and creativity.

In 2005 a survey conducted by ifm Mannheim underlined the interdependency between extrinsic and intrinsic motivation of migrant entrepreneurs but also shows the fact that migrants compared to german entrepreneurs start their businesses more often from unemployment. As Wauters and Lambrecht stated, refugees compared with migrants, have been confronted with a lot more problems and unstableness. They often had to flee their country without a plan where to go and how to prepare for their new arrival countries. Due to this important documents or financial resources do not exist or are not accessible. Compared with other entrepreneurs a positive interdependency between intrinsic and extrinsic drives is not always given when refugees start their own business. It is argued that a need-based support environment is necessary to boost the development on the one hand and consolidate the institutionalism of refugee entrepreneurship on the other. Therefore it will be analysed if strategies should be considered during the process of starting, which impact the maintenance of the business positively.

The main thesis in this paper is, that even if refugees start their own business based on extrinsic factors, need-based strategies could foster intrinsic motivation and influence the consolidation of the business.

The aim of the research is to carve out need-based strategies that include the institutional framework for refugee entrepreneurs in Germany.

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1 Intrinsic factors are personal motives that are based on experiences or passion and normally developed over a long time period. Extrinsic factors are motives that are developed to cope with the given situation. (Rheinberg, F./Vollmeyer, B./Burns, B.: Ein Fragebogen zur Erfassung aktueller Motivation in Lern- und Leistungssituationen; online verfügbar unter: http://www.psych.uni-potsdam.de/people/rheinberg/messverfahren/FAM-Langfassung.pdf, zuletzt eingesehen am 09.09.2017.)


A questionnaire will be developed that is divided into two parts. The first part will question what kind of drives will lead to the decision of starting an own business. The second part will ask what kinds of requirements are crucial for refugee entrepreneurs in Germany. A regression analysis will be used to explore if and how the specific drives of refugee entrepreneurs will influence their needs.

The research is grounded on a mixed data analysis. Data will be collected by sending quantitative online questionnaires to different entrepreneurship trainings or incubator programs in Germany. Additionally, the author will take 10 qualitative interviews to identify the aspects, which are not yet taken into account properly.

**Literature**


Professional Development in Migrant Businesses

Stefan Berwing (University of Mannheim)

Since 2005 the number of migrant businesses rose 40% from 449,000 up to 630,000 businesses. As a result more than a fifth of all owner-managed businesses in Germany are today migrant businesses. Therefore migrant businesses become more and more important as employers. But despite their growing importance as employers migrant businesses are still inadequately represented in professional development. This is a danger for the further development of migrant businesses, since it puts the consolidation of these businesses at risk.

Based on a survey of 1604 migrant businesses and 372 non-migrant businesses we describe the participation in professional development in these two groups. The empirical results show big differences between industries, business sizes and between owners of different education. But these differences can’t explain the considerable difference between migrant and non-migrant businesses in the participation in professional development. Multivariate analysis shows, while controlling for industry, business size and owners education, a strong effect of the migration background of the owner. Based on these results we discuss further possible explanations like educational biographies of migrants and attitudes towards education and vocational training.
Employment and job satisfaction:
A comparison of employed and self-employed migrants and non-migrants in Germany

Teita Bijedic (Institut für Mittelstandsforshung (IfM) Bonn)
Alan Piper (University of Flensburg)

One out of ten business founders (Kohn, Spengler, 2007) and one out of six self-employed individuals in Germany are migrants (Leicht, Langhauser 2014). According to research by Global Entrepreneurship Monitor (GEM), not only in Germany, but in many innovation-driven economies, migrants show a higher degree of entrepreneurial and founding activity than natives, and have therefore a significant impact on the economy of the target country (Xavier et al. 2012). Therefore it comes to no surprise that migrant entrepreneurship is a highly recognized topic within both political discussions and entrepreneurship research. Even though there is already an impressive body of work, especially regarding the nature and quality of migrant enterprises, many questions still remain unanswered, especially regarding the personal satisfaction with the choice of employment or self-employment and the resulting implications. Using the German Socio-economic Panel (SOEP) dataset, we try to close this research gap by investigating the job satisfaction of migrant entrepreneurs in Germany compared to native entrepreneurs, and also conventionally employed migrants and natives.

There are several motives for engagement in entrepreneurial activity. While research shows that, in general, motives do not differ much among migrants and natives, there is evidence that migrants more often face challenges in the labor market (Kay, Schneck 2012). Even if migrants are in regular salary or wage employment, they earn on average less than natives (Lehmer, Ludstseck 2013). Furthermore, migrants often face institutional barriers, e.g. their certificates, vocational training or educational degrees are sometimes not officially recognized, which is a barrier especially for the access to jobs which require high qualifications. One means to overcome these obstacles is self-employment. Self-employment, which is driven by these motives, can be seen as necessity driven entrepreneurship, i.e. self-employment because of lack of other options, even if it does not seem desirable. In contrast, opportunity driven entrepreneurs go into self-employment because of self-fulfillment, autonomy or some lucrative opportunity which they may exploit (Brixy et al. 2013).

However, entrepreneurship is far from serving as a universal remedy for labour market discrimination: migrants are also facing barriers while pursuing entrepreneurship and also more likely to be discriminated against by capital givers, potential customers or business partners (Brooks et al. 2014). Furthermore they have smaller and narrower networks than non-minorities, which lead to less access to crucial resources (Seidel et al 2000; Bijedic et al 2017).

Several studies have found a relationship between employment status and job satisfaction, with self-employed individuals being more satisfied with their jobs than their wage and salary employed counterparts (e.g. Roche 2015; Amoros, Bosma 2013; Xavier et al. 2013). There are some determinants which lead to more satisfaction than others. For example, the level of education can have an impact on job satisfaction, life satisfaction, and entrepreneurial success (Roche 2015). Female and migrant entrepreneurs are generally more satisfied (Sava et al. 2016). For immigrants, self-employment is an opportunity to have meaningful jobs, higher autonomy and commitment by otherwise lower positions as employees as well as lower status within society (Sava et al. 2016). Migrants rate self-employment as a valuable career opportunity, more so than the native population (Brixy et al. 2013).

Finally, entrepreneurial motives also have an impact on entrepreneurial satisfaction: intrinsic motivation leads to higher job satisfaction and life satisfaction (Block, Coellinger 2009; Carree, Verheul 2011; Sava et al. 2016; Stephan, Roesler 2010). Within this context, we can interpret necessity driven entrepreneurship as externally motivated because it is driven by unfavorable environmental conditions.
To analyze these issues, we make use of the SOEP, a nationally representative longitudinal dataset that started in 1984. The estimation techniques are pooled Ordinary Least Squares regression. These regression analyses show that self-employment in general leads to a higher job satisfaction compared to wage or salary employment. However, the interaction with migrant status shows gender-dependent differences: While male migrant entrepreneurs show a negative job satisfaction, which is indicative of being externally motivated by need, there is no such effect on female migrant entrepreneurs. The negative effect of the interaction between migration and self-employment is significant for both genders in the first generation of migrants which also hints at necessity motives. These results are explored within our work.

Our findings suggest that different target groups need to be addressed individually, when conceptualizing policy measures. Furthermore, effects on societal, organizational and individual levels need to be taken into account. Encouraging entrepreneurial behavior in wage and salary workers could also foster their job satisfaction which is in particular crucial for migrant population because of their specific burdens on the labor market. The job satisfaction of different migrant groups is important, and our work is a contribution towards understanding this vital topic.
Entrepreneurship and the Integration of Refugees and Migrants: A Case Study of Syrian Refugees in Egypt

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Tarek Hatem (The American University in Cairo)
Nellie El Enany (The American University in Cairo)

The Syrian “Exodus” is the biggest assemblage of refugees affecting not just neighboring countries of Jordan, Lebanon, Iraq, Egypt, and Turkey, comprising 95% of the Syrian refugees, but also European states, following refugees’ decisions to undertake the “Death Journey” by crossing the Mediterranean Sea (Pierini & Hackenbroich, 2015). Since the beginning of the Syrian conflict in 2011 the refugee crisis involves at least 11 million Syrians, from which 6.3 million are displaced and 13.5 million are in dire need of humanitarian assistance due to inexorable conditions (Mercy Corps, 2017).

Protracted refugees situations take from five to twenty years. Numbers of Syrian refugees, who are hosted in Egypt, are ranging from 500,000 to two million, where only a fraction of them, 115,204, is registered (United Nations High Commissioner for Refugees (UNHCR) , 2017). Despite guarantees for individual considerations by the 1951 Convention and the 1967 Protocol, refugees are usually vulnerable, weary and aid dependent. At the same time, their individual contexts are neglected due to weak and fragmented policies enforcement, dwindling living conditions, legal restrictions and social and economic limitations for their livelihoods.

Extant literature on refugees lacks a positive framing as enabling individuals and vital socio-economic and developmental tools. Shifting away from the traditional “refugee warehousing” approach, that denotes mobility restriction, idleness enforcement, aid dependency and incapacitated individuals, where their lives are put on hold in violation to the 1951 Refugee Convention law (Smith, 2006), and following successful case studies of refugees’ entrepreneurial tendencies, such as in Dadaab and Kakuma Camps in Kenya and Zaat’ari in Jordan.

Entrepreneurship may serve as a source of innovation and a mean of income generation, carrying other non-monetary gains for sustainable livelihoods (Montclos & Kagwanja, 2000). To date, refugee entrepreneurship is a nascent research field that is distinct from ethnic entrepreneurship and migrant entrepreneurship. Among recent studies, Garba, Djafer, & Mansor (2013) and Chrysostome (2010) tackled different aspects for ethnic and migrant communities when they pursue entrepreneurial ventures. Considering that each context has a unique set of challenges, few researchers have attempted to understand the relationship between refugees’ entrepreneurial endeavors and their integration in hosting economies. Wauters & Lambrecht (2006) demonstrated qualitatively the entrepreneurship potential and analyzed associated socio-economic impacts of entrepreneurship among refugees in Belgium. In 2008, they assessed quantitatively their motivations and associated challenges (Wauters & Lambrecht, 2008). In another study by Mushaben (2006), it draws interesting findings that Turkish ethnic businesses bridged majority and minority cultures in German cities through their entrepreneurial efforts of “Do-It-Yourself-Integration (DIY)” processes. Consequently, “participatory consciousness” among males, and direct identification with the society for women resulted. Finally, within the third-generation of Turkish migrants, they start businesses outside the food sector and they are more likely to embrace the German citizenship (Mushaben, 2006).

This research attempts to shed some light if entrepreneurial activities are enabling tools for integration in hosting communities. Following the administration of twelve in-depth interviews to Syrian refugees in Greater Cairo and by comparing empirical findings with literature, it proved that, as a consequence of disadvantages, that Syrians face in hosting communities, they pushed themselves to pursue entrepreneurship as a self-reliance strategy. Promoting factors of “ethnic-cultural” features, where Syrian businesspersons gain access to ethnic markets, labor and emotional support, enabled them to
start first their offerings among their communities to enlarge their economic activities among members of hosting societies, by taking advantage of a common language, familiarity with the culture, and relative peace and stability. It is good to note that generalizations should be avoided in later research, especially when common factors of language proficiency and culture familiarity are missing.

Additionally, without macroeconomic support of institutional bodies and policy makers, the sustainability of their economic work opportunities is at risk. Due to institutional voids, organizational and institutional barriers and lack of effective coordination among stakeholders, their political integration is set aside, at least for the short and medium terms.

This research makes a theoretical contribution by stating that refugee entrepreneurship has common ethnic-cultural promoting factors as ethnic entrepreneurs with similar motives of “necessity based” migrant entrepreneurs of overcoming disadvantages they face in their daily routines. Their social links were necessary determinants for short-term acculturation through their informal economic activities that are illegal yet legitimate. Entrepreneurship among refugee communities cannot only rely on informal sources that are not replenished, as their economic sustainability and their political integration, as citizens in the hosting society, are both at risk. These findings have implications in better understanding of the dynamics behind refugees’ pursuit of economic opportunities; how they maintain them; if they can sustain their endeavors and what performance indicators are used to determine their success following their motivations. As practical implications, recommended solutions are suggested to formalize these interactions for local economies development and refugees empowerment.
Refugee Incubators: 
Overcoming Resource Constraints and Institutional Barriers

Aki Harima (University of Bremen)
Julia Freudenberg (Leuphana University of Lüneburg)

Principle Topic:
The world faces one of the greatest challenges with refugees in the modern age. According to the Global Trends: Forced Displacement (UNHCR, 2015; 2016), the total number of refugees has increased significantly and continuously by 45% over the past four years to an all-time high of 63.5 million people globally. Among other European countries, Germany is the most popular destination for asylum-seekers in 2015 (UNHCR, 2015) by receiving 1.1 million people (FMI, 2016). This sudden and unexpected arrival of a huge number of people has inevitably created necessities to integrate refugees into the host country, both economically and socially (Ager & Strang, 2008; Phillimore & Goodson, 2006).

While various modes of economic integration have been encouraged and partly initiated by existing firms and policy makers, on one side, entrepreneurs have drawn much attention as a possible panacea to accelerate successful economic integration of refugees, as it creates unique value and expand the available labor market on its own (Betts, 2014). Yet, starting own business is anything but easy for refugees, since they have a number of disadvantages compared to local entrepreneurs and migrant entrepreneurs (Wauters & Lambrecht, 2008). Not only the lack of resources and knowledge which are useful for the socio-economic integration into the host country, but also, they face substantial institutional and cultural barriers.

In Germany, we have witnessed that the increasing number of formal and informal initiatives which support entrepreneurial refugees to establish their own business. Among various initiatives, this paper sets its focus on incubators as an essential actor in order to investigate their role in enabling refugees to pursue their entrepreneurial paths in Germany. Although the literature on incubators and refugee entrepreneurship offer certain evidence for this study to understand the role of incubators in the context of refugee entrepreneurship in Germany, we still know little about the concrete mechanism how incubators attempt to fulfill idiosyncratic demands of entrepreneurial refugees. In fact, the research on refugee entrepreneurship is still in its infancy (Wauters & Lambrecht, 2008) and it is largely unknown what types of supports are needed by entrepreneurial refugees and what resource and capital are already available among them.

Against this background, this study aims at exploring the support mechanism of incubators for refugee entrepreneurship by analyzing how the incubator help refugee entrepreneurs to overcome resource constrains and institutional barriers in host countries.

Methods:
This study conducts multiple case studies with incubators in different regions in Germany. It is an explorative qualitative study which follows a grounded theory approach (Charmaz, 2014). Constructivist grounded theory allows this study to identify emerging patterns by comparing three cases and to construct theories on incubators for refugee entrepreneurship. Due to the level of depth, case studies are useful as a method when ‘the area of research is relatively less known, and the researcher is engaged in theory-building types of research, (Ghauri, 2004: 109). We are aware of the strong reliance of this approach on the integrative powers of research which requires the researchers’ capability to study an object along with multiple dimensions and to combine the various elements together in a holistic interpretation (Selltiz et al., 1976).
Semi-structured in-depth interviews will be conducted with refugee entrepreneurs who are in the incubation programs as well as incubators’ managers. Interview questions will focus on firm-internal and external resource which is used for building a business model and its value creation process. In order to take the time/process dimension into account, at least two interviews with each entrepreneur will be conducted in the beginning of the program and in the end of program. Capturing their situation in these two different phases allows this study to analyze how their resource situation is changing over time. All the interviews will be conducted and transcribed in English. Transcription will be analyzed with open-code first, and then categories will be built iteratively by contrasting empirical data and theories. This process will be done by multiple investigators in order to avoid subjective bias. Data collection will be started in November 2017.

**Results:**

This study will identify how refugee entrepreneurs create business by receiving supports by incubators from the resource and institutional perspective. The underlying assumption thereby is that refugee entrepreneurs possess unique resource compared to indigenous entrepreneurs which can be source for developing a distinctive business model. Yet, in order to create a complete business model, refugee still lack some essential resource which can then be substituted by resource of incubators and need to overcome institutional barriers. This study will explore how resource of both actors are combined in order to create entrepreneurial values.
Ontologically stepping-up: A model for refugee entrepreneurship

Sibylle Heilbrunn (Kinneret Academic College)
Rosa Lisa Iannone (University of Luxembourg)

Abstract

Ontologically, refugees and migrants are different. Migrants are drawn to a country in search of a better life, whereas refugees are forced to leave and attempt to rebuild what they have lost. Refugees are often among the most marginalized groups of migrants, exposed to discrimination, unacceptable living conditions and high rates of unemployment. Therefore, when trying to understand refugee entrepreneurship we can lean on some insights of the many studies on migrant entrepreneurship, yet need to consider the profound differences between both populations.

Refugee entrepreneurship might been categorized as disadvantaged entrepreneurship (DeClercq & Honig, 2011), inclusive entrepreneurship (OECD Report, 2016) or necessity entrepreneurship (Hart & Acs, 2011). Miller and Miller (2017) maintained in their article, the "Underdog Entrepreneurs" that "some critical drivers of entrepreneurship come in the form of serious life challenges, rather than personal advantages and strengths, or favorable contexts" (ibid.: 17). Johannisson and Olaison (2007) have discussed emergency entrepreneurship under extreme circumstances, while refugee entrepreneurship has also been described as a "survivalist strategy" and as last alternative to unemployment (Ayadurai, 2011). Entrepreneurship bricolage has been highlighted as useful in explaining entrepreneurial behavior under conditions of institutional voids where entrepreneurs "make do" with cheap and free resources regarded by others as useless, employing and capitalizing on these, finding opportunities and solving problems (Mair & Marti, 2009). All these concepts may fit various forms of refugee entrepreneurship, but essentially refugee entrepreneurship, like all entrepreneurship, evolves within a context. In the case of refugee entrepreneurship, the context concerns first and foremost the very fact of being a refugee. Therefore, it is indispensable to recruit refugee theory, that can help account for refugees' history in terms of journey, as well as circumstances from countries of origin to countries of destination and/or residence.

George (2009) analyzed theoretical approaches of refugee types and proposed a refugee typology based upon three layers of characterization, namely "new" versus "traditional" (Kunz, 1973), "acute" versus "anticipatory" (Paludan, 1974) and "majority identified", "event related" or "self-alienated" (Kunz, 1981). The extent of cultural difference with the majority population, the immediate political circumstances of the flight as well as the reasons for having to flee a country of origin are various and definitely have an impact on refugees' encounters within their new societies (George, 2010). Furthermore, Mollica and colleagues (2015) emphasized the fundamental necessity to consider the effects of trauma on refugees. Together, accounting for refugee typology and trauma and its consequence are crucial in understanding refugee entrepreneurship for a number of reasons. Firstly, refugee type often determines or at least influences the granting of refugee status in destination/residence countries. Thus, for example The United Nations High Commissioner for Refugees (UNHCR) prioritizes political reasons (majority-identified) when considering refugee status and asylum applications versus self-alienation. Secondly, institutional and legal refugee status regulations determine the chances of refugees to stay and/or their modes of livelihood and are therefore essential for understanding refugee entrepreneurship. Additionally, institutional arrangements constitute the structural context in which refugee entrepreneurs operate and have a vital influence, either fostering or hindering the entrepreneurial activities of refugees. Therefore, questions of legality – related to refugee typology and status – are a major issue for refugee entrepreneurship in particular.

A number of published empirical studies have stressed the impact of "being illegal" as a very central factor for explaining refugee entrepreneurship (Ayadurai, 2011; Raijman & Barak-Bianco, 2015; Sabar & Posner, 2013).

Following the mixed embeddedness approach, there are supply-side factors that open the potential for entrepreneurs to act upon opportunities, so that they may draw from human and social capital, motivations, skills – and in the framework of refugee entrepreneurship, this occurs apace with issues of trauma and coping with the consequences. Former studies reveal the influence of refugees' personal characteristics and attitudes on entrepreneurship such as prior experience, clarity of purpose, language and communication, (Fong et al., 2007), cultural or personal background that support entrepreneurial activities, previous business knowledge that provides a base upon which to build a business (Fong, 2007; Gold, 1992; Johnson, 2000; Tömöry, 2008), as well as language and business-related knowledge (Fong et al., 2007; Ayadurai, 2011; Johnson, 2000). Refugee entrepreneurs wield family and community networks and the ethos of intergenerational obligation and cooperation in establishing their businesses, as well as concepts such as generosity to others (Fong et al., 2007; Gold, 1992; Johnson, 2000; Lyon 2007; Mamgain & Collins, 2003; Tömöry, 2008), sometimes forming occupational niches (Price & Chacko, 2009). Formal and informal collaborative relationships within the refugee provider-community support strategic partnerships (Price & Chacko, 2009), and studies have demonstrated that access to capital can be acquired via special refugee aid programs (Gold, 1992), or rotating credit and saving associations (Johnson, 2000; Lyon et al., 2007; Price & Chacko, 2009). These studies, however, lack considerations for the impact of refugee trauma and they also insufficiently explore the lack of resources refugees possess. Therefore, a comprehensive understanding of refugee entrepreneurship must consider supply-side factors in terms of individual and collective resources or the lack thereof, in addition to refugee trauma and its consequences.

This article is a first attempt at proposing an integrated conceptual model that would bridge this gap in our knowledge of refugee entrepreneurship. Such a model might then enable for the understanding of the super-diverse entrepreneurial strategies being employed by super-diverse refugees, within complex and super-diverse socio-economic and political settings – thereby, ontologically stepping-up our theoretical approaches and empirical insights into the phenomenon.
The role of network in business start up and development amongst displaced entrepreneurs

Cherry Cheung (London South Bank University)
Caleb Kwong (University of Essex)

War and conflict brings about adverse changes for those who are affected, destroying livelihoods and creating endemic poverty (MacSweeney, 2008). Brief context here. Traditional ‘relief’ form of assistance is deemed undesirable due to high risk and cost but also in the way it fosters a dependency mindset (Abdelnour and Branzei, 2010; Oberschall, 2007). Entrepreneurship (re)engagement represents a market-led and bottom-up capacity building alternative in offering a safety net against the destructive force of war and conflict (Cheung and Kwong, 2017).

However, with livelihood, wealth, infrastructure, materials destroyed, resource constraints present considerable challenges for those intending to develop venture (Harima and Freiling, 2016). How do entrepreneurial individuals respond to adversity brought on by displacement to set up, or continue with their existing, entrepreneurial endeavours, that would improve their own livelihood? Previous studies have found resource and knowledge constraints to be the major impediments to venture development in the war and conflict context. Utilising bibliographical narratives obtained from X wartime entrepreneurs, this exploratory research examines the role of network in enabling displaced entrepreneurs to develop resources to set up their venture(s) despite difficult circumstances. Our research found considerable heterogeneity between episodes of entrepreneurial activities. We further categorised the entrepreneurial activities based on the extent of network involvement, and found network contributes both in the forms of information and resource supports and collaboration. Their varying involvements affect the degrees of embeddedness of these episodes towards familiar location, sectoral and market catchment. Overall, network involvement does have a positive effect on the scale of these entrepreneurship episodes, as well as bringing in more lucrative outcomes.

Methodology

Our study follows the biographical research method (Bornat, 2008; Merrill and West, 2009; Grele, 1996; Thompson, 2000), focusing largely on the establishment of facts surrounding the entrepreneurial decisions taken by the X entrepreneurs during the period of conflict (Portelli, 2006; Thompson, 2000). Our intention is to explore the entrepreneurial actions taken and knowledge and competencies required to make it happen, whether these are from internally or resided within their network.

Narratives for 6 displaced entrepreneurs were obtained through the Oral History Archive of Hong Kong. The selected entrepreneurs engage in various entrepreneurial activities that are predominantly local or regionally based, although many have operated across national frontiers as well as between territories occupied by the opposing sides.

We embarked on an event-based process analysis (Lok and De Rond, 2013), which is a post-hoc sequential analysis of “episodes” that each entrepreneur has embarked on (Labov and Waletsky, 1997; Langley, 1999). In this methodological approach, events are used to create a narrative or case history, and construct a case analysis (Makkonen, Aarikka-Stenroos, and Olkkonen 2012; Pettigrew 1997; Polkinghorne 1995). We first conduct sequential analysis of the biographical data by compiling the collected information into individual case histories for further analysis. This involved firstly constructing a timeline (Tagg, 1985) for the critical life events (Flanagan, 1954; Evers and O’Gorman, 2011; Vorley and Rodgers, 2013) over the relevant years, and reflecting on their relationships with related macro and micro incidents. This stage of the analysis enabled us to come up with an objective account of events in their lives, most particularly, the entrepreneurial ‘episodes’, independent from their self-interpretation (Rosenthal, 2006).
Our study focuses on ‘episodes’ that utilises network as a resource mobilisation strategy. We applied multiple coding schemes to categorise the episodes. We applied an attribute coding scheme (Saldana, 2015) to identify 4 relevant issues based on our conceptual framework: i) nature of network; ii) resources and knowledge utilisation; iii) level of network involvement and v) performance outcomes.

We distinguished between three forms of resource utilisation (internal, network supported and network collaborative), as well as between focal and subsidiary sector of involvements. We then examine each of the episodes within our narratives, and in total found 22 episodes. The episodes are clustered into four roughly equivalent sized groups: Internal focal resources utilisation (6 cases), internal subsidiary resource utilisation (5 cases), network supported resource utilisation (6 cases) and network collaborative resource utilisation (5 cases).

**Results summary**

We found notable differences between different forms of network usage, as summarised below:

<table>
<thead>
<tr>
<th>Nature of involvement</th>
<th>Focal</th>
<th>Subsidiary</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Internal expansion</td>
<td>Internal extension</td>
</tr>
<tr>
<td></td>
<td>Use innate knowledge</td>
<td>Require internal resource to utilise their core competencies</td>
</tr>
<tr>
<td></td>
<td>Easy to do internally</td>
<td>Often of low potential, self-subsistence</td>
</tr>
<tr>
<td></td>
<td>Often of low potential, self-subsistence</td>
<td>Partner helped decoding some of the knowledge by offering relevant information. Then, the entrepreneur utilise their own extensive knowledge in their focal area, to create a novel business opportunity.</td>
</tr>
<tr>
<td></td>
<td>Type of social capital: Do not require social capital</td>
<td>Partner helped decoding some of the knowledge by offering relevant information. Difficult to have enough knowledge</td>
</tr>
<tr>
<td></td>
<td>Semi-articulatable</td>
<td>Requires extensive collaboration/co-creation? as partner possesses knowledge and knowhow that cannot be passed on. Entrepreneur tends to take the driving seat in such endeavour, with supports from the partner</td>
</tr>
<tr>
<td></td>
<td>Tacit or Inarticulable</td>
<td>Requires extensive collaboration as partner possesses knowledge and knowhow that cannot be passed on. Network partner tends to take the dominant position, with entrepreneur taking a supporting role</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No network required</th>
<th>Network support required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Codified</td>
<td>Semi-articulatable</td>
</tr>
<tr>
<td></td>
<td>Do not have all aspect of knowledge required to succeed at the point of opportunity recognition</td>
</tr>
<tr>
<td></td>
<td>Tacit or Inarticulable</td>
</tr>
<tr>
<td></td>
<td>Knowledge impossible to acquire at the point of opportunity recognition</td>
</tr>
<tr>
<td>for a new business idea, products, or services</td>
<td>Type of social capital: Require weak and non-redundancy ties</td>
</tr>
</tbody>
</table>
The impact of Innovation Labs on diaspora startups’ technology acquisition and exploitation

Su-Hyun Berg

This research project investigates how Innovation Labs support diaspora startups’ technology acquisition and exploitation. The empirical findings will be derived from a qualitative methodology consisting of R&D collaboration meetings in two Innovation Labs (SDU MCI Innovation Lab and FAU Innovation Lab), focus group interviews with migrant and diaspora entrepreneurs in Germany and Denmark, and in-depth interviews with R&D collaboration participants. The resulting data will be investigated through open coding and content analysis. Through an inductive theorization procedure, this project will advance our understanding of industry-academia collaboration in Innovation Labs from the perspective of migrant and diaspora entrepreneurs.

My research project consists of three work packages and a secondment (Month 6-8) at Friedrich-Alexander-University Erlangen-Nürnberg (FAU), Germany.

For the Work Package 1, 30 migrant and diaspora entrepreneurs in the Startup Development Phases from the Southern Denmark region and 30 in the Bavaria State, Germany will be selected based on their main products/services and invited to the R&D collaboration with university researchers.

In the Work Package 2, I will organize 3 R&D collaboration meetings in the SDU MCI Innovation Lab and 3 R&D collaboration meetings in the FAU Innovation Lab aiming at establishing collaboration to both university researchers and diaspora startups. To gain insights from the participants’ perspective, I will arrange 6 focus group interviews with migrant and diaspora entrepreneurs of the participating startups. With the purpose of analyzing the main challenges of the R&D collaboration, semi-standardized interviews with 60 migrant and diaspora entrepreneurs will also be conducted after the R&D collaboration in the Innovation Labs.

In Work Package 3, I will analyze the impact of R&D collaboration on diaspora startups technology acquisition and exploitation applying grounded theory with an initial open coding method and content analysis.
The Impact of Founder Teams Diversity on Failure – The Effect of Cultural, Job-Related and Background-Related Diversity on new Venture’s Survival

Niclas Rüffer (University of Mannheim)
Simona Wagner (Centre for European Economic Research (ZEW))
Suleika Bort (University of Mannheim)
Johannes Bersch (Centre for European Economic Research (ZEW))

RESEARCH QUESTION

Recent entrepreneurship research suggests that the generation of new ideas and innovations can be linked to the diversity of the new venture founding team (NVFT) and the team members’ ability to combine and exchange different knowledge (Smith, Collins, and Clark, 2005; Thompson, 2003). In fact, as many new ventures are founded in teams rather than by individual entrepreneurs (Beckman, 2006; Cooper, Woo, and Dunkelberg, 1989; Klotz, Hmieleski, Bradley, and Busenitz, 2014), a body of literature in entrepreneurship has started focusing on how the composition of the NVFT influences the new ventures’ strategy and performance (Ensley, Pearson, and Amason, 2002; Francis and Sandberg, 2000; Klotz et al., 2014; Lechler, 2001; Watson, Ponthieu, and Critelli, 1995). Most of these studies confirm that new ventures that are founded in teams perform better than firms that were founded by individual entrepreneurs (Kamm, Shuman, Seeger, and Nurick, 1990; Song, Podolny, van der Bij, and Halman, 2008). The main benefit of a new venture team arises from the heterogeneous knowledge and skills that can be utilized, which in turn has a positive impact on the success, performance and growth (Ensley, Carland, and Carland, 1998; Gartner, 1985; Mellewigt and Späth, 2002). Yet, diversity has many dimensions. Most research on teams has conceptualized diversity in terms of task-related diversity (i.e., educational background or functional expertise) and neglected background diversity (i.e., cultural background, age or gender) (Milliken and Martins, 1996; Pelled, Eisenhardt, and Xin, 1999; Webber and Donahue, 2001; Woodman, Sawyer, and Griffin, 1993). However, while modern societies become more culturally diverse (Putnam, 2007), the labor force as well as entrepreneurs also become more culturally diverse. Thus, diversity plays an increasing role in entrepreneurship research (Bouncken, 2004). In fact, cultural diversity seems to positively impact the creativity of a new venture as teams with different cultural backgrounds may contribute to a variety of perspectives and ideas available to the team (Bouncken, 2004; Stahl, Maznevski, Voigt, and Jonsen, 2010) which is an important prerequisite for firm innovation performance. Despite the growing interest in relating team diversity to innovation, empirical studies do not find conclusive results. One reason for this lack of consistent results may be that team diversity has many dimensions and that each dimension might encourage some kind of innovation more than others (Cabrales, Medina, Lavado, and Cabrera, 2008). Especially, there are only few studies with regard to the impact of different dimensions of diversity on failure (Zhou, Rosini, 2015). Therefore we aim to study the impact of background diversity (i.e., cultural, gender, age) and job-related team diversity (i.e., educational background) on new ventures survival.

DATA AND METHODS

Based on literature we develop hypotheses with regard to different forms of diversity and failure of new ventures and test them with a unique data set consisting of 5,677 entrepreneurial teams founding their venture between 2005 and 2013. The empirical analysis is based on the first eight survey waves of the IAB/ZEW Start-Up Panel, which is a yearly survey of newly founded firms in Germany. Via computer-assisted telephone interviews we collected detailed information about the founders, their human capital, firm’s employees, and indicator of firm performance. In the IAB/ZEW Start-Up Panel numerical distribution of nationalities in the founding team is not surveyed. We merge the names of the founders included in the MUP and code the numerical distribution of names by hand. We are able
to match data on credit rating as well as insolvency and therefore identify firms that fail within the period of observation. We estimate our model by logistic regression techniques. The baseline model includes our dependent variable (new venture failure) on the LHS. On the RHS of our equation we employ our measures of diversity in terms of cultural background, age, gender, and subjects. We include control variables that aim to capture other factors influencing firm success.

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Learning Mechanism in Startup Ecosystems:
Absorbing Knowledge from Transnational Entrepreneurs

Aki Harima (University of Bremen)
Jan Juling (University of Bremen)
Jörg Freiling (University of Bremen)

This project aims at investigating how an emerging startup ecosystem may benefit from the human and social capital of transnational entrepreneurs. Santiago in Chile is a unique example in which the government took an initiative to acquire foreign talent through establishing a world-famous accelerator called “Startup Chile”. The Startup Chile Accelerator, which brings in 250-300 companies a year, and offers foreign entrepreneurs funding without equity loss in addition to a year’s visa to develop and refine their ideas in Santiago. This rapid successful development of the Santiago’s ecosystem would not have been realized with the presence of such transnational entrepreneurs.

The literature defines startup ecosystems as agglomerations of independent actors and resources in a particular geographical region. The interaction of these actors and resources creates favorable environments for entrepreneurial activities in high-growth businesses enabling them to create value and innovation (cf. Mason and Brown, 2014; Spilling, 1996; Stam, 2014). Research on developmental factors in startup ecosystems is still at an early stage (Mason and Brown, 2014; Thomas and Autio, 2014). The impact of different actors on ecosystem development has occasionally been discussed in the literature (see for example Thomas and Autio, 2014; Van Weele et al., 2014).

The roles of the state and regional governments have been identified as important factors in this regard (Kantis & Federico, 2012). Fuerlinger et al. (2015) found the state to have a crucial impact on setting foundations for the creation of supportive entrepreneurial environments by shaping the regulatory environment, and by supporting entrepreneurship education and public funding programmes. Yet, the role of accelerators and transnational entrepreneurs has not sufficiently investigated so far.

Transnational entrepreneurs possess unique characteristics, which arise from mixed embeddedness (Kloosterman et al., 1999) and bi-focality (Vertovec, 2004). Mixed embeddedness refers to their embeddedness both in the social networks of immigrants and in the socio-economic and politico-institutional environment of the host country (Kloosterman et al., 1999). Mixed embeddedness and the migration process provide transnational entrepreneurs with unique knowledge, experiences and information, which are not available for domestic entrepreneurs (cf. Aliaga-Isla et al., 2012; Dalziel, 2008). In addition, these qualities enable transnational entrepreneurs to make use of diversified networks (Kuznetsov, 2008). While domestic entrepreneurs can only refer to local networks, immigrants are brokers between COR and diaspora networks (Dalziel, 2008; Portes et al., 2002). Through these additional networks, foreign entrepreneurs get access to and support from people and organizations that are inaccessible to local founders. These networks help them to recognize opportunities and sustain their motivation (Harima, 2014). Transnational entrepreneurs also possess multiple cultures within themselves compared to local people, which allows them to have bi-focality. Bi-focality refers to the ability of immigrants and their descendants to see the world through different perspectives (Rouse, 1992). This may enable them to identify unique entrepreneurial opportunities, which might be overlooked by domestic entrepreneurs.

Against the backgrounds, this study investigates unique knowledge possessed by transnational entrepreneurs and how they are (not) transferred to the local startup ecosystem. This study stands for social constructivist approach to explore alternative patterns how a startup ecosystem can benefit from transnational entrepreneurs in Santiago. A single case study with Startup Chile has been chosen because start-up ecosystems develop under unique conditions and with unique prerequisites (Isenberg, 2010). Analyzing data from different ecosystems would not therefore lead to accurate findings.
As for empirical data, we conduct in total 30 interviews with different actors related to the Startup Chile Accelerator such as accelerator managers, transnational entrepreneurs from different countries, Chilean local entrepreneurs, and CORFO (a public agency working with the Ministry of Economy to promote Chile’s growth). In order to have a neutral opinion about the accelerator, expert interviews with entrepreneurship researchers at local universities in Santiago will be conducted. In addition to interviews, ethnographical observation on locations is essential to understand how intangible assets such as entrepreneurial mindset and business know-how will be shared. Transcribed interviews as well as observation memos will be analyzed with MAXQDA with an inductive category building approach by multiple researchers.

This study will contribute to the current discussion on success mechanism of startup ecosystems from a novel perspective by having a closer look at a unique setting in Santiago. This practical example shows how a region in emerging countries can develop a successful startup ecosystem within a relatively short time with a government-initiated accelerator. By exploring how the region has benefitted by resource of transnational entrepreneurs, this paper will develop concrete practical implications for regional policy makers who are interested in developing a startup region.

On one side, this study will offer research contributions to the literature on startup ecosystem by highlighting the role of accelerators within an entrepreneurial scene. The previous literature did not focus on accelerators as a driver of ecosystem development. On the other side, this study will make a bridge by combining the literature on startup ecosystem and on transnational entrepreneurship.
Are SMEs with immigrant owners exceptional exporters?

Horatio M. Morgan (Ryerson University)
Sui Sui ((Ryerson University))
Matthias Baum (University of Kaiserslautern)

Abstract

Immigrant owners possess valuable human and social capital from which small and medium-sized enterprises (SMEs) might derive advantages when internationalizing. According to this resource-based perspective, such advantages might be manifested in immigrant-owned SMEs’ enhanced ability to identify, evaluate, develop and exploit opportunities in international markets. However, a cognitive perspective offers an opposing view: insofar as immigrant owners are more prone to overconfidence than their non-immigrant counterparts when making internationalization decisions, immigrant-owned SMEs might reap less financial rewards from potentially high-risk international markets. We pit the two perspectives against each other theoretically and empirically by evaluating a) the relationship between business owners’ immigrant background and SMEs’ export intensity, and b) the extent to which such background moderates the relationship between SMEs’ export intensity and (risk-adjusted) financial performance. Based on a representative sample of 9,977 Canadian SMEs, we find that the presence of immigrant owners positively impacts export intensity, but negatively moderates the relationship between export intensity and financial performance. We interpret this evidence, combined with supplementary analyses, as support for a cognitive theory of international entrepreneurship in general, and particularly in relation to the role and consequences of entrepreneurs’ immigrant background.

Keywords: Cognitive perspective; Export intensity-performance relationship; Immigrant owners; Overconfidence; Resource-based perspective
Indian immigrant entrepreneurs in Poland – towards diaspora or integration?

Beata Glinka (University of Warsaw)
Agnieszka Postula (University of Warsaw)

The main goal of our presentation is to describe the population of Indian immigrant entrepreneurs in Poland and show the way they shape their strategy on the market.

This is a part of research project devoted to entrepreneurship of immigrants from Far East (India, China, Vietnam, South Korea, Philippines) countries in Poland. In the research project we decided to concentrate on immigrants from the Far East countries due to several reasons:

1. the number of immigrants coming to Poland (and Europe) from Asia is growing, the populations of immigrants from Vietnam, India, China, South Korea and Philippines are big enough to provide valuable research material;
2. Far East immigrants are known for their entrepreneurial activity in host countries;
3. entrepreneurial activities and strategies of Far East immigrants are relatively well described by researchers (especially in North America – USA and Canada, and Western Europe), and it may serve as a valuable base for comparisons;
4. the cultural distance between Poland and Far East is relatively high (Hofstede, Hofstede, & Minkov, 2011), and that allows for comparisons, and observations on cultural competencies development;
5. thanks to previous experiences of the research team, we have sufficient knowledge and access to the groups under investigation (researchers in Warsaw experienced in immigrant entrepreneurship research, researchers in Cracow - The Institute of Middle and Far Eastern Studies of the Jagiellonian University - specialized in intercultural studies and Far Eastern studies).

Indians are one of the group taken into consideration in our research. According to The Office for Foreigners (2015) data, the numbers of Indians legally living in Poland is 2596. As compared to other European counties these number is not high, but for Poland this group is relatively big (and growing).

The Indian immigrants in Poland settle mainly in the central area of the country and in larger cities – over half of the Indians living in Poland live in Warsaw, its suburbs, and neighboring villages (mainly in Raszyn and Wólka Kosowska). Smaller groups of Indians are located in Lodz, Silesian and Lesser Poland voivodeships. In places with larger numbers of immigrants the development of many business enterprises and social organizations can be observed, as well as the places of religious worship (as for example the Sikh Gurdwara in Raszyn).

Indians are economically well integrated, most of them are relatively young and fairly well educated (high school or university graduates), with income above the state average. Very often Indians do not compete with the Poles in getting employment, but rather open their own businesses that give employment to other Indians, and also to the Poles. The main types of these enterprises include: restaurants and fast food places, textile enterprises, furniture import, Indian/Asian food products trade, pharmaceuticals and cosmetic products. According to the data provided by the Indian Embassy in Poland and the Raszyn Municipality Council, there are around 100 companies run by Indians in Poland. According to Indian community – the number is probably higher.

The first stage of the project is based on qualitative study (interviews, observations), in case of Indian community - 15 interviews. Indian entrepreneurs tend to make efforts to support and sustain their

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culture and contacts with home country. Being highly differentiated (coming from different parts of India) they strive to build a community that offers support for newcomers and helps them to settle in Poland. In that community that are some individuals who play a leading role, and serve as informal advisors introducing newcomers, especially those who want to start their business in Poland, to the Polish market. These internal integration of the group is supported by religious practices (e.g. creation of the Sikh temple that gathered a big part of Indian immigrants), holiday celebration, and cultural events.

At the same time, Indian entrepreneurs strive to enter the mainstream of the Polish economy. A big group hires Polish employees, and address offers to Polish customers. Having both Indian and Polish colleagues and friends helps in integration with the community, what is visible especially in the emerging second generation of immigrants. As compared to groups like Vietnamese or Chinese immigrants, Indians tends to be more open to Polish society, and also describe themselves as more open, and part of Polish society.

Combining these two approaches is not always easy, as it requires different actions, building different network, and mobilization of different resources. Thus, in the paper we want to discuss ways Indians build their entrepreneurial strategies that are designed to combine diaspora building and integration with a host country.
Migration, Remittances, African Diaspora and the Sustainable Development Goals

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Chinedu Madichie (Nigerians in Diaspora Organisation Europe (NIDOE), Entrepreneurship & Private Sector, & African Diaspora Network Europe (ADNE))

In a 2013 Special Issue on Is the Middle East the land of the future? Madichie assembled a range of papers (six in number) around the millennium development goals, and concluded that the targets had been missed in the most desperate of environments notably in the developing world context. Indeed, even in the fastest growing economies of the Middle East, it was observed, and reported that nothing could be seen as a given. A similar observation had been made in the case of Africa two years earlier (see Adesida and Karuri- Sebina, 2011).

In this paper, the focus is on the role of the African diaspora in actualising the Sustainable Development Goals on the back of the missed targets of the Millennium Development Goals that elapsed in 2015. The study commences with a re-articulation of migration, the value and constraints of remittances, contribution of the African Diaspora and ultimately, what these all mean for success in achieving the SDGs.

Migration is often viewed negatively by home, transit, and destination countries. In Africa, as a brain drain and in destination countries as a burden on available resources. This has resulted in the inadequate attention migration and migrants contribute to sustainable development – especially from the purview of international students. It is for this reason that the African Diaspora Network in Europe (ADNE) advocates for the voice of diaspora to be included in development policy planning both in Africa and in Europe (Madichie, 2016). It is the opinion of ADNE that well managed migration policies would bring about an optimal use of diaspora contribution to development considering the huge demographics of migrants in the world. Examples of such policies include easier access to legal status in destination countries, enabling dual-citizenship, reduced bureaucratic procedures and administrative hurdles, etc.

Indeed, the much-touted Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development have provided new opportunities for African diaspora involvement in the face of the partly missed targets of the Millennium Development Goals (MDGs) that preceded these goals. It is our view that the diaspora have the wherewithal to contribute towards the SDGs, particularly on the targets of ensuring safe, orderly, and regular migration; reducing the costs of diaspora remittances; and improving data on the skill sets of these groups.

While target #1 of the SDG on ending poverty, and target #12 on improving data with a view to establishing diaspora networks to facilitate the circulation of knowledge, ideas and technology for capacity building to take off, it is paradoxical that while the diasporas are important actors in economic development, they are still mainly considered shortcuts to leveraging financing – especially remittances – and channelling funds for sustained development in Africa – in a sub-optimal manner. This attitude underscores the need for alternative platforms of innovative contributions of the diaspora for the development of the region. We posit, therefore, that the impact of diaspora on the 2030 Agenda should not just be multidimensional, but also multifaceted, requiring an in-depth consideration by African governments and other stakeholders in ensuring the actualisation, and effective deployment of three key initiatives – notably (i) leveraging diaspora remittances, trade and investment; (ii) capacity building (transfer of skills, knowledge and technology); and (iii) advocacy and involvement in development policy making and implementation process.

Unpacking these further, first, as far as Remittances, trade and investment goes, there is a need for Diaspora remittances and financial contributions are well mobilised through various instruments
including, but not limited to, bonds, securitised remittances, and special banking arrangements. The World Bank and other development partners have revealed that remittances by African diaspora surged by 3.4% to US$35.2 billion, in 2015 (Madichie, 2016). However, this amount doesn’t directly translate to development due to many challenges such as the very high costs involved in money transfer, the technical complexity of alternative innovative platforms – going beyond funds for the day-to-day needs of families. A larger, more consolidated option channelled towards productive investments fostering entrepreneurial rather than dependency culture is needed.

**Second, in relation to capacity building** is another area where technology and skills transfers and modern management practices can contribute. Examples abound where diaspora have galvanised public private partnerships (PPPs) in sectors where such expertise is not locally available. This conduit in knowledge and skills transfers has proved effective especially during the Ebola epidemic when UK-based Sierra Leonean health workers volunteered to provide cultural awareness training for anyone travelling to Sierra Leone. Another example is BethAri Limited, a management consultancy with diaspora expertise working in partnership with West African Health Organisation (WAHO) on capacity building and skills development for pharmaceutical regulatory practices in West Africa. It is envisaged that these examples can be built upon in a more significant manner so as to make the SDG targets a reality by placing the diaspora engagement at the core of the development processes.

**Third, and finally, Advocacy and development policy engagement**, the nation-building process also relies on social and political dialogue, advocacy and awareness, and stability for sustainable development. African governments have recognised the need to engage diaspora by providing an enabling environment for potential contributions of the latter. This includes creating economic and social linkages, accelerating structural reforms and providing incentives. It has also been established that country ownership of diaspora strategies and strong ties with the diaspora, underlined by a shared vision, helps commit the diaspora and government to act synergistically. A typical example of this exemplary vision of diaspora engagement by the Nigerian government was the establishment of Nigerians in Diaspora Organisation (NIDO) worldwide, where office space is provided at embassies to facilitate such initiatives. Other African countries Rwanda, Kenya, Ethiopia, to name a few, have all launched initiatives to engage with the diaspora.

Overall, we advocate for the Diaspora to be viewed and treated as development partners – i.e. to be considered, not just as sources of finance for development (see Chand, 2016), but also as development partners. As Chand (2016, p. 273) points out “for Africa’s economies to successfully transition from their current state of commodity-dominated production to high value-added production, governments in the continent must design and implement strategies to harness their grossly underutilized diaspora in developed countries.” Consequently, we posit that while the African diaspora may have the capacity and patriotic mind-set to contribute to national development, concerted efforts must be made by all stakeholders to develop policy objectives that could facilitate diaspora mobilisation. However, capacity gaps remain as far as the diaspora are concerned – poor policy choices, lack of clearly defined objectives, poor implementation plans, as well as weak and inaccurate data on the diaspora being just a few. Accurate data and statistics are important elements in developing a national diaspora engagement strategy and ADNE has set in place a machinery to build an African Diaspora Skills Database (ADSD) in order to fully understand the socio-economic and demographic characteristics of the diaspora, their attitudes, and possible areas of interest for collaboration, and most importantly, avenues for promoting the optimal use of African diaspora expertise in their home countries.

**References**


What determines self-employment of female migrants in Germany?

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Keywords: women’s entrepreneurship, migrant entrepreneurship, quantitative analysis, qualification, family responsibilities, occupational segregation

Entrepreneurial activities of female migrants have often been perceived in the light of their subordinate position or patriarchal control mechanisms (e.g., unpaid or underpaid workers in their husbands’ businesses) (Baycan-Levent 2010). Previous literature indicates that female migrants tend to become self-employed in certain industries (e.g., cosmetics, fashion, office services) where their businesses often remain small and revenue prospects are limited (Baycan-Levent 2010; Leicht et al. 2017). The overrepresentation of female migrants in certain sectors may be traced to educational attainments and occupational choices (Leicht and Lauxen-Ulbrich 2005). Moreover, migrant women might face a dual disadvantage when starting their own business as they are affected by barriers that apply for women and migrants alike (Azmat 2013; Bührmann et al. 2010). Nevertheless, female migrant entrepreneurs have recently undergone several developments (increase in numbers, higher qualifications), and they seem to become “mainstream entrepreneurs” (Baycan-Levent, 2010). We shed light on the phenomenon of female migrant entrepreneurship that is rather invisible in previous literature. This is highly relevant because female migrant entrepreneurs bear an increasing socio-economic potential, in terms of greater social inclusion, revenue and employment generation and technological innovation (Azmat 2013).

The objectives of our study are twofold: First, we analyze the development of female migrant entrepreneurs in Germany since 2005, in particular by the level of qualification and industry distribution. Second, we examine to what extent qualification, occupational segregation and family responsibilities can explain these developments, and how these determinants influence the probability of becoming self-employed for female migrants. By focusing on differences between female migrant entrepreneurs and female entrepreneurs of German origin, we aim to examine whether female migrant entrepreneurs are facing a dual disadvantage in terms of entrepreneurial opportunities and activities. Building on a quantitative research design, we base our analysis on the German Microcensus.

First descriptive results reveal that the labor force participation of female migrants has risen continuously during the last decade. This is also reflected in the increased number of female migrant entrepreneurs. However, the self-employment rate of female migrants indicates that they are less involved in self-employment than their male counterparts. Multivariate results reveal that being a single parent with children younger than 12 years increases the propensity of becoming self-employed for female migrants, which applies also for women of German origin. A better reconciliation of family and work responsibilities might be a possible explanation. In addition, qualification is a determinant that matters the most for female migrant entrepreneurs. Holding a university degree indicates an increasing propensity of becoming self-employed for female migrants, even more pronounced than for women of German origin. Moreover, career choices in female dominated professions decrease the propensity of becoming self-employed for female migrants, while male dominated professions increases this propensity.

Literature


Role of Greek Diasporas in the economic recovery of Greece

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Vasilis Ieronymakis (University of Patras)

Recent research suggests that diasporas ‘contribute to development by creating businesses and jobs, stimulating innovation, creating social capital across borders, and channelling political and financial capital towards countries of origin’ (Newland & Tanaka, 2010). However the economic contribution of diasporans is shrouded in conspicuous silence (Vemuri, 2015). There are three main reasons for such silence. First, most contributions go unnoticed and unrecognised by public institutions as they are channelled through the informal sector of the economy. The conventional wisdom of the inherent nature of the informal sector is one of a conceptual stigma reflecting badly on governments’ capability to enforce compliance. Second, Economics as a discipline has evolved in a selective manner built on frameworks based on availability of information whereby policy prescriptions are made through evidence based decision-making. As the contribution of diasporans is largely informal, real time data does not exist for use by conventional methods of mainstream economic investigation (Vemuri, 2015). Third, a simple framework to simultaneously incorporate different ways diasporas contribute inter-temporally and inter-spatially does not yet exist. Diasporic engagements with home and host countries are dynamic in nature over space and time. Analysis based on simple unquantifiable capital transfers is both inadequate and inaccurate for understanding of elements and their impacts to form methodologically generalizable theory of diaspora contributions that studies can be based on. This paper regards lack of adequate and reliable data to analyse the role of diasporas to their home economies a result of unintended consequences that needs to be addressed. These unintended consequences necessitate adopting a case approach based on survey data to analyse economic diasporic contributions. Despite the stereotypical undermining of case studies approach to investigation (Yin, 2003), we believe, it is still the most preferred method of inquiry to address the research question what is the role and the extent of contribution of diasporas to their economies? Paucity of data due to unique diasporic situations, the informal nature of transactions and the complex role eight capitals in decision-making are all reasons for adopting an approach based on case analysis. Adopting a case analytic approach, this paper attempts to focus on the Greek diaspora and their contribution to the Greece’s economy.

Keywords: Greek diaspora, VFR tourism, economic development
When the ethnic enclave economy does not provide shelter: visible minority entrepreneurs and their business sustainability

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Abstract

The studies on immigrant entrepreneurship point out at the advantages of the ethnic enclave economy for the development of immigrant firms. However, in the case of the recent and not firmly-established immigrant communities the ethnic enclave economy is poorly developed or simply does not exist. In such a case, the literature on immigrant businesses does not give a precise explanation what are the perspectives of ethnic business development in a host country.

In this explorative paper, we analyze the perspectives of the business sustainability in the case of the visible minority entrepreneurs who have no access to the ethnic enclave economy resources and institutions. Based on selected case studies of Indian-Pakistani and Afghani entrepreneurs in Klagenfurt (Austria) and Arab and Vietnamese entrepreneurs in Kraków (Poland), we investigate which factors play a role in the ethnic business development and to which extent the immigrant entrepreneurial activities constitute the sustainable economic strategy in a host country.

Keywords: visible minorities, immigrant entrepreneurship, ethnic enclave, socio-economic integration
Enabling Softlanding in Startup Ecosystems?
The Role of Startup Events for Migration Entrepreneurs

Thomas Baron (University of Bremen)

Startup Ecosystems are regional defined agglomerations of interdependent actors and resources which in interplay nurture the creation of high-growth startup companies (Spilling, 1996; Mason & Brown, 2014). Due to the proven positive economic impact of startup companies on a region, policy makers and researchers show an increasing interest in understanding the emergence of these supportive environments for startups to flourish (Stam, 2014). While research has made great efforts in conceptualizing ecosystems (Neck et al., 2004; Ahmad & Hoffmann, 2007; ANDE, 2013; Juling et al., 2016), identifying key resources (Isenberg, 2011; WEF, 2013), and describing the role of certain ecosystem actors (Fuerlinger, 2015; Graham, 2014; Kantis & Federico, 2012; Isenberg, 2010), there is still a need to dig deeper into the success factors and underlying mechanisms of self-sustaining startup ecosystems. Baron & Harima (2017, forthcoming) propose that migration and diaspora entrepreneurs may be regarded as an important factor in this regard due to their contributions on forming a strong capital structure of ecosystems by adding valuable resources thanks to their unique backgrounds and characteristics (Dalziel, 2008; Aliaga-Isla & Rialp., 2012; Kloostermann et al., 1999). Interestingly, the researchers highlight the aspect that conducted cases of migration entrepreneurs in the Berlin startup community do not rely on ethnic networks but are an integral part of the local startup community, even though they have moved to Berlin only within the last six months (Baron & Harima, 2017, forthcoming). Since existing explanations such as the support through diaspora networks are not applicable in this context, the rapid integration of migration entrepreneurs in the Berlin startup ecosystem raises the question about the underlying mechanisms of how the new arrivals settle down in the startup community and overcome their “liabilities of foreignness” (Zaheer, 1995; Denk et al., 2012) in this short time frame.

Borrowing the concept of “liability of foreignness” from international management research (Zaheer, 1995; Denk et al., 2012), we identify difficulties migration entrepreneurs have to deal with when landing in a startup ecosystem, such as difficulties resulting from unfamiliarity with the new local environment and from a lack of legitimacy as members of the Berlin startup community (see for instance Zaheer, 1995). Based on a case study conducted in Berlin with diaspora entrepreneurs and experts as well as field observations in startup events, we detect the important role of startup events in overcoming identified “liabilities of foreignness”. The empirical findings show that Berlin diaspora entrepreneurs attend in startup events to assimilate the Berlin startup culture and associated behavior in order to gain legitimacy as members of the startup community. The application of the “new institutional theory” (DiMaggio & Powel, 1983) helps us to explain the detected mimic behavior.

References


Transnational ties in migrant entrepreneurial ventures. Are they complement or substitute?

Marco Cucculelli (Marche Polytechnic University)

Abstract

The paper exploits original data gathered through a survey on all businesses run by migrant entrepreneurs operating in a tie-intensive industry to address the issue of how different networking mechanisms and cross border ties affect the performance of migrant entrepreneurs firms. We study if cross border ties are a substitutive asset for migrant businesses, aimed at filling the cultural and social gaps of ethnic communities, or just a complementary feature of their business activity. Preliminary results emphasize that cross border ties do not merely reflect the cultural or social features of ethnic communities, but they constitute a distinctive, founding component of many migrant business, independently of the origin of the entrepreneur.

Keywords: migrant entrepreneurship; cross border ties; transnational networking; internationalization; Italy; software.
Student Session
Informal Network Structure of Migrant Entrepreneurship in Ethnic Enclaves

Anna-Lena Bunse (University of Bremen)

Abstract

Migrant entrepreneurs have been considered as actors contributing to the economy of countries of residence. They often rely on social capital from multiple networks to overcome lack of financial capital, institutional knowledge, and language. (Inkpen & Tsang, 2005) Nowadays, globalization takes part in all areas, even in a district of the Hanseatic town of Bremen, more precisely Gröpelingen. Gröpelingen is hosting about 6.5 percent of all inhabitants of Bremen but at the same time about 20 percent of all foreigners and these numbers are not to about to decline. For this reason, Gröpelingen is a district known for a high share of migrants, hence a young and international district with a big potential for the future (Hillmann & Rothmeyer, 2012: 82). This potential is given especially because migrants live and establish businesses in Gröpelingen. Interestingly, these migrant entrepreneurs do not only have connections to their country of origin but use regional networks especially within Gröpelingen (Hillmann & Rothmeyer, 2012: 90). Although previous research has investigated networks within a single ethnic enclave, we still do not know a regional network dynamic between different ethnic communities. According to Marchand and Siegel (2014: 14), ethnic enclaves mostly dominate one industry in a city. Yet this does not apply to the case in Gröpelingen. As Gröpelingen becomes more multicultural, communication is an ongoing issue. Consequently, no one knows about the connection between migrant entrepreneurs in Gröpelingen and their network structures. Moreover, informal networks are difficult to identify and to direct (Awazu, 2004: 63). This makes it a challenge to identify these networks in Gröpelingen.

Against the background, the network structure of different migrant entrepreneurs will be investigated to gain insights into the informal network structure of migrant entrepreneurs with different ethnical backgrounds. The research on network structures in Gröpelingen will contribute to explore inter- and intra-ethnic networks for entrepreneurs. Accordingly, the research questions are the following:

I. How are informal networks for migrant entrepreneurs structured, both inter- and intra-ethnically?

II. How can migrant entrepreneurs benefit from informal networks?

For methodological procedure, eight interviews were led. Seven with migrant entrepreneurs from different ethnic enclaves and one with an expert living in Bremen-Gröpelingen and working with migrant entrepreneurs. This study offers implications for policymakers and practitioners in the city with multi-ethnic communities by offering insights and profound understanding of inter- and intra-ethnic networks among migrant entrepreneurs. This understanding is essential for them to support their business activities and enhance their efficiency. Additionally, it will provide practical implications to the organization supporting migrant entrepreneurs by offering the understanding about the structure and dynamics of migrant entrepreneurial networks within a region.

References


Marilena Schmich (London School of Economics and Political Science)

Abstract:

Due to the growing number of refugees in Europe over the past years, it has become increasingly important that states not only focus on “managing” refugees, but also focus on the long-term integration of refugees into the destination country’s economy. The economic integration policies in the U.K. and Germany currently primarily focus on assisting refugees to eventually find employment, while refugee entrepreneurship is largely being neglected as a viable option for integrating refugees into the destination country’s economy. In order to address the question of whether refugee entrepreneurship could be considered a form of economic integration, this thesis will examine the economic, social and policy context of refugee entrepreneurship in the UK and Germany to identify which challenges future policy should target.

This study conducted 12 in-depth interviews with refugee entrepreneurs, researchers, practitioners and complemented the interviews by analysing the policy in both the UK and Germany. Seed capital, language, location, embeddedness and knowledge about the local market have been identified to be the greatest challenges to refugee entrepreneurship. While the challenges are the same in the UK and in Germany, the way in which government, civil society and markets influence these challenges is different. Differences have been found in the overall strength of refugee entrepreneurship support, which is stronger in Germany due to support from government and civil society. Furthermore, differences in policies surrounding language courses and location challenges have been identified, which may make it more difficult for refugees to access language courses in the UK than in Germany and more difficult for refugees in Germany to change their location after receiving refugee status than in the UK. The study concludes that to combat downward occupational mobility, and fully use the potential and expertise of refugees, refugee entrepreneurship must be considered as a viable option for economic integration, providing grounds for developing policies which specifically target the support of refugee entrepreneurship.

Keywords: refugees, entrepreneurship, economic integration, social integration
Muslim Transnational Remittances in Migrant Communities: The Case of Pakistani Entrepreneurs in Kiel

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Deborah Feldmann (University of Kiel)  
Marie Reitz (University of Kiel)

The significance of remittances – both monetary and socio-cultural – amongst migrants has been long identified and discussed, in particular in the context of maintaining ties in transnational migration. Despite its paramount importance for transnational migrant communities, remittances and their socio-cultural embeddedness have been overlooked in the entrepreneurship literature on ethnic minorities and migrants.

This paper presents preliminary results of a mixed-method research project on transnational remittances within the Pakistani community in Kiel, in which migrant entrepreneurs are domestically and transnationally involved and embedded. The project consists of a quantitative survey and in-depth qualitative interviews in an explanatory sequential design.

The survey currently includes approx. 30 respondents (with growing sample) of Muslim communities in Germany, with a focus on Pakistani origin. These preliminary results reveal some interesting findings in line with the literature on remittances. The results, on the one hand, confirm that these migrants focus on sending remittances to family members (84%), with only limited shared to friends or business contacts. However, responses on the short-term objectives of these remittances reveal that these are not only sent for supporting living or daily needs. One third of the respondents actually remit for family businesses, which hints at transnational migrant entrepreneurship whereas the economic ventures are focused on closer social ties. This is in turn also reflected in the primary reasons for visiting the home country for maintaining social networks with family, relatives and friends rather than for building new business contacts elsewhere.

Findings from observations when accessing the field and informal discussions with members of the community, on the other hand, have highlighted the importance of social obligations in the sender’s behavior, in particular of donating to the community first before remitting to the family. The aspect of social obligation is consistent with migrant entrepreneurship literature but also goes beyond the general notion in that the socio-cultural behavior is strongly embedded in the specific context of Muslim communities, where according to the Islamic religion charity is regarded obligatory for any member. Against this background, in-depth qualitative interviews are conducted with key persons of the migrant community, including leading members of the local congregation, long-term migrants and second-generation members on further issues of these socio-cultural contexts of the usage of monetary capital.

By providing novel insights into a so far underresearched migrants group and their contexts of transnational remittances, this paper contributes both empirically and conceptually to the migrant entrepreneurship research. Preliminary results show a complexity of socio-cultural embeddedness in which migrant entrepreneurs are embedded when involved in transnational remittances and businesses. In this context, this paper also brings in aspects of the recently much discussed concept of Islamic finance to the entrepreneurship literature in that the migrants’ economic activities are brought into the context of Muslim socio-cultural specificity.
Balance of Embeddedness of Ghanaian Entrepreneurs in Germany

Sharon D. Mayer (University of Bremen)

This project aims to investigate the embeddedness of the new generation of diasporans, namely the diasporans who came to the country of residence before they attain full age and the following second generation born in the country of residence with at least one parent from the former country of origin. The concept of mixed embeddedness by Kloosterman et al. (1999), acknowledged by multiple scholars in the field of diaspora entrepreneurship, is the starting point for this research. The concept predominantly focuses on the institutional impact from a macro perspective, such as the impact of the welfare state, the country of residence regulations and laws, and other institutions impacting the entrepreneurial opportunities for migrants in a country. This concept arose from the overemphasis of the social structure of migrants, so mainly the impact of the meso level. Research in this field (Light et al., 1994; Salaff et al., 2003; Sander & Nee, 1992; Waldinger, 1993) found that migrants are over-embedded in their inter-ethnic networks and therefore strive to less promising markets often in the low skilled sector with co-ethnic customers or even the ethnic enclave.

New generations in this context have not been the focus of attention, yet introduce a new dimension to be considered. The embeddedness of this generation is assumed to be different to the first generation, as they are influenced and grow up in the institutional system of the country of residence, and are assumed to have diverse heterogeneous network both with inter-ethnic and intra-ethnic contacts (Levitt, 2009). Following this thought, the micro level, meaning the entrepreneur him/herself has to be considered as well, when investigating the impact of embeddedness. The main preliminary assumption in this context describes the new generation diaspora entrepreneurs as being able to break out of the predefined markets to more promising ones (Barett et al., 2001; Engelen, 2001) and being able to chance the rules of the game (North, 1990) by finding their balance in the intra- and inter-ethnic settings compared to the one-sided intra-ethnic embeddedness of the former generation.

This paper therefore aims to contribute to the mixed embeddedness concept by Kloosterman et al. (1999) by using the three-layer approach of the micro, meso and macro level. The aim is to discover if the new generation is able to find a balance of embeddedness in the institutional setting, in the structure of their networks, and in the resources of the entrepreneur. The embeddedness research follows the approach by Schnell and Sofer (2002) who used the distinction between intra-ethnic contacts, namely contacts to co-ethnics in the country of origin, country of residence and the transnational setting, and the inter-ethnic setting, namely contacts to other ethnicities including the ethnics of the country of residence.

The inductive research approached with six case studies of the Ghanaian diaspora in Germany, representing six entrepreneurs and their businesses from the new generation, tackles the first steps to shed light on the details necessary to discuss promising markets through business model innovation (Bucherer et al., 2012; Chesbrough & Rosenbloom, 2002) and the assumed competitive advantage (Chesbrough, 2007, Malhorta, 2000) for the new generation and aims to answer the following research question:

- How does the embeddedness influence the entrepreneurial activity of entrepreneurs from the new generation?

Finally, the research aims to derive detailed information on the structure of entrepreneurial resources, networks and institutions to be able to understand diaspora entrepreneurship of the diverse and growing new generation.

Keywords: Diaspora Entrepreneurship, New Generation, Game Changer, Mixed Embeddedness.
References


Diaspora entrepreneurship activities: The nexus between diaspora individual motivation, the organisation and environment and how they influence diaspora entrepreneurship activities in countries of origin

Thomas Gitonga Kalunge (Technical University of Berlin)

“Migrants from economic South countries bring with them to the developed North countries that what makes them poor in their countries of origin and in so doing negatively affect the economy of the host countries and consequently the global economy” (Clemens & Prichett, 2016, p. 7). These and other epidemiological views plus other perceived social and economic views e.g job pressure and social welfare pressure are some of the arguments brought forward by right-wing parties with deep-rooted anti-migration sentiments. Catalysed by the recent increase of people mobility especially due to war in the Middle East and economic stagnation in some sub-Saharan African countries, the discussion on the impacts of migration has taken a centre stage in the last decade. In the past, the most literature was focused on the repercussions of immigration on the host country. Lately, however, the nexus between diaspora/migrants and development in the countries of origin has started to attract attention. A common understanding has been that diasporas have the potential of significantly contributing to the development of their countries of origin (Brinkerhoff, 2016; Sharma, 2009; Newland & Plaza, 2013; Sharma, 2009, p. 2; Newland & Plaza, 2013). A notable pattern in these discussions has been the over-concentration on diaspora contributions in the realm of remittances, investments, institutional linkages and labour mobility (Levitt, Peggy. 1998; De Haas, 2005; De Hass, 2010; Maimbo & Ratha, 2005; Allen, et al., 2016; Clemens, Michael. 2010; Maimbo & Ratha, 2005, p. 20; Allen, et al., 2016). Scarcely covered are the contributions by diaspora by engaging in entrepreneurship activities in their home countries. Particularly, very little research has been carried out on what motivates diaspora entrepreneurs to start new businesses in or link their existing businesses with their countries of origin and how this individual motivation interlinks with the organisation and the environment factors.

Although the literature has investigated the general relationship between entrepreneurs’ motivations, that is whether they are driven by opportunity or necessity, and their impact on national economic development, this area remains relatively under-researched regarding diaspora transnational entrepreneurship (Schumpeter, 1942; Gartner WB, 1989; Gartner WB, Shaver KG, Liao J, 2008, Shane S, Locke EA, Collins CJ, 2003). To understand and sustainably support the diaspora entrepreneurs in their home countries, hence supporting long-term development of South countries, it is paramount to be aware of the individual motivation, the nature, scope and operations of diaspora businesses in home countries, including the characteristics of the environment in which these entrepreneurs operate as this will enable one to recognize the factors that push or pull diaspora into diaspora entrepreneurship activities.

Arguably, diaspora transnational entrepreneurship is formed by a combination of social factors at numerous levels. At the macro level, it is designed by the opportunity structure, at the micro level by the individuals’ motivation and access to resources (Shane & Venkataraman, 2000Drori, et al., 2009). Driven from this argument therefore the paper contributes to the growing research in perspective by examining the interplay between the micro, meso and macro variables in the context of the subject, the institution /firm and structures of the environment (e.g. political economy, legal apparatus, and state bureaucracy) via an empirical case study of German-based sub-Saharan diaspora entrepreneurs. At the individual level, the paper discusses how both intrinsic and extrinsic motivation plays a role in promoting diasporic entrepreneurship activities in home countries. In short, this paper links the individual behavioural analysis with the process, context and outcome research in evaluating diasporic entrepreneurship activities. To what degree are the relationships between the three elements; the individual (micro), the diaspora organization both government-sponsored and self-organized (meso),
and the environmental structure and opportunity (macro), affect the emergence of transnational diaspora entrepreneurship and how do they shape their development?

To assist in answering this question various sub-questions are formulated and analysed at the individual, organizational and environmental level.

- First, what factors at both micro, meso and macro levels influence the willingness of a diaspora to engage in transitional entrepreneurship and how do these factors interact with each other?
- Second, with an aim of understanding how different the home country environment shape diaspora transnational entrepreneurship given the same host, the following questions are posed:
  - How is the sub-Saharan African diaspora entrepreneurship in Germany aimed at countries of origin and what challenges do these entrepreneurs face?
  - Are these diaspora entrepreneurship challenges and opportunities specific to country/region?
  - And can the individual motivation and characteristics of the sub-Saharan diaspora contribute to them being able to overcome the said challenges?

Given the above question, the following pre-assumptions are formulated.

- Due to the transnationalism aspect of the diasporic individual, he/she is endowed with competitive advantages that enable him or her to identify need gaps in home countries, innovate around these need gaps to come up with an innovative solution that he/she can turn into profitable ventures.
- The willingness of starting a venture in the home country is dependent on both internal micro factors and external macro factors.

The paper hopes to show that although much of the concentration has been awarded to diaspora contributions to development through remittances, diaspora have a competitive advantage compared to other foreign investors regarding knowledge of language and culture due to the connection to their home countries. The paper will discuss how individual motivation, organisational capabilities of the diaspora and political and governmental structure of both the home and host country enable or limit these entrepreneurship activities.

**Bibliography**


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Social Entrepreneurship for refugee integration: Bloom

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Key activities
Bloom mediates Syrian healthcare professionals to German healthcare institutions. A needs assessment of the medical institutions revealed that legal refugee status, language proficiency and recognition of prior qualifications are the requirements for employment. Bloom and their partner network supports refugees realizing their working ambitions in medical professions by offering support prior and during the initial working period.

Context
Germany lacks healthcare professionals. The shortages of doctors, nurses and geriatric nurses are supported by the research of Kovacheva & Grewe (2015). Furthermore, around 3000 doctors leave Germany every year due to better working conditions in other countries (Kovacheva & Grewe, 2015). Pricewaterhouse Coopers (2013) predicts a lack of 165,000 doctors and 786,000 non-academic healthcare professionals in 2030. The Bertelsmann Foundation (2012) forecasts a shortage of half a million nurses by 2030, while the Prognos AG (2011) estimates that 840,000 nurses will be missing in 2030. The lack of healthcare professionals has already had an impact on the quality of care and the population health in Germany.

Since 2014, more than 1.3 million refugees came to Germany (German Institute of Migration and Refugees, 2017). The majority (400,000) comes from Syria. Due to the civil war and the deadlocked circumstances in Syria, long term stay in Germany is likely. Since Germany favors strong social protection, refugees that are not in the labor market cause costs due to their social financial support. Raffelhüschen & Moog (2016) developed a predicting tool of generational accounting and estimate costs of 450 billion Euro per 1 million refugees, which results in 585 billion Euro for 1.3 million refugees in Germany. Contrastingly, Raffelhüschen and Moog (2016) argue that the successful labor market integration of 1.3 million refugees will lead to a net gain of 300 billion Euro. According to the Federal Agency for Migration and Refugees (2016), 12,500 Syrian healthcare workers are predicted to be in Germany right now.

In summary, German health care institutions face an increasing lack of healthcare professionals, while Syrian healthcare professionals in Germany are desperately looking for occupation. Therefore, Bloom strives to reduce staff shortage in Germany’s healthcare sector by supporting refugees realizing their working ambitions in medical professions.

Value Proposition
Value Proposition for Medical Institutions in Germany

Bloom mediates Syrian healthcare professionals to German healthcare institutions in order to solve customer’s job of finding professional health care personnel.

Bloom also identified customer’s pains. We solve customer’s lack of healthcare professionals and the consequential threat of losing the major source of income (if the quota of 50% qualified nurses is not fulfilled, the contract with the health insurances get cancelled), losing of income due to workforce shortage, reduction of capacity despite sufficient demand, arising shortage through retirement of healthcare professionals and enable the institutions to realize potential expansion plans. Bloom provides a more valuable solution than expensive leasing firms which provide less loyal and less
productive healthcare workers because we mediate motivated and professional full-time employees. Bloom also provides a better service than recruitment agencies, because we receive governmental funds and do not rely on high margins like agencies do. Therefore, we are more affordable than our competitors.

Bloom provides the following customer gains: We strive to mediate motivated and professional healthcare employees to medical institutions to increase capacity, increase revenue, enhance service quality, enable them to expand and provide cultural sensitive care.

Value Proposition for Syrian Healthcare Professionals in Germany

Bloom supports refugee’s dreams of realizing their working ambitions in the medical profession. The basic barriers and customer pains we and our partners help refugee to overcome are the application for asylum, language proficiencies and recognition of qualifications. Additionally, Bloom and our partner network can provide psychological and social support for refugees before and during the initial working period.

We want to enable refugees to continue with their original and meaningful work profession they already performed in Syria in order to provide an essential customer gain.

Value Proposition for the German State

According to Refugee Commissary in Remscheid, every refugee costs the German state at least 1000€ per months. This means that every year, the German state needs to pay 12.500.000€ per year for 12.500 refugees, while this number increases constantly. On the other hand, according to online income calculators (Gehalsvergleich, 2017) doctors in Germany are at least earning 6000€ and nurses 2500€ before taxes per months. If these 5.375 Syrian medical doctors and 7.125 Syrian nurses would be integrated in the German labor market, the Syrian doctors would earn around 32.250.000€ and the Syrian nurses would earn around 17.812.500€ per year. The direct cash flow via income tax can benefit the state directly, while the remaining net wage increases the buying power for refugees within Germany.

The overall value Bloom provides to these three stakeholders involved is visualized in Framework 1 below.

References


Framework 1 - Overall stakeholder potential with Bloom

**Refugees**
- No financial income other than unemployment compensation (Rent plus ~500€ per month)
- Insuperable barriers to start working in healthcare again

**State**
- Costs of ~1000€ per month per refugee
- Problems with crime, social stability and integration due to unemployed refugees

**Medical Institutions**
- Lack of employees
- Less loyal and less productive healthcare workers form leasing
- High recruitment costs of 5000-7000€ per full-time nurse mediation

**Refugees**
- Doctors earn ~6000€ and nurses ~2500€ before taxes per months
- As soon as a refugee is properly employed, the state does not pay their rent anymore

**State**
- Doctors earn ~6000€ and nurses ~2500€ before taxes per months and the state receives direct income tax and indirectly their buying power
- Less problems with crime, social stability and integration

**Without Bloom**
- Medical Institutions save 2500 - 4500€ per mediation

**With Bloom**
- Medical Institutions plus 1500 - 5000€ p. m.
- State plus 3500 - 7000€ p. m.