Introduction to the special issue

Oliveira, C.; Rath, J.

Published in:
Revista Migrações

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: https://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

UvA-DARE is a service provided by the library of the University of Amsterdam (http://dare.uva.nl)
Many advanced economies, especially in their larger cities, acquired a more cosmopolitan aspect in the closing decades of the twentieth century. This is reflected in an ever-broadening product range, which now includes not only such obvious items as Coca Cola, hamburgers and Levi’s jeans but also Chinese bubble tea, Turkish döner kebabs and Indian saris. It is not just the appearance of these ‘exotic’ products in shops in Amsterdam, Berlin, Copenhagen or Lisbon that reveals the deepening links between economies of origin and of receiving countries. The demographic composition of many advanced economies has also significantly changed as flows of long-distance migration from more and more locations increased during the second half of the twentieth century. International migrants embodied the complex process of globalisation in a very palpable sense. Increasingly diverse product ranges and populations, as two highly visible features of globalisation, are often directly related as immigrants themselves introduce products from their origin countries to far-off places. They start businesses in their countries of settlement and become ‘self-employed’, ‘immigrant entrepreneurs’ or ‘ethnic entrepreneurs’.

Notwithstanding the ever increasing numbers of ethnic entrepreneurs who have set up shop, according to the American magazine Business Week they have long remained ‘unsung heroes’ in Europe. In socio-economic terms, for a long time these immigrants were largely viewed as workers. Immigrants were predominantly depicted as suppliers of cheap low-skilled labour in advanced economies. More recently, attention has shifted towards immigrants who start their own businesses.

By becoming self-employed, immigrants acquire quite different roles to those of immigrants who are employees and also to those of mainstream entrepreneurs. By starting their own business, immigrant entrepreneurs create their own jobs and/or create job opportunities for other co-ethnics. This enables them to circumvent some of the barriers that they may encounter in looking for a job. Immigrants are especially likely to come up against these barriers. They may lack or be seen to lack educational qualifications; they may not have sufficient access to relevant social networks for transmitting information on job vacancies; or local
employers may simply discriminate against them. Becoming self-employed does not mean that all these barriers become irrelevant – for example, banks may still discriminate against immigrants when they request business loans or qualifications may not be recognised - but entrepreneurs still seem to be less vulnerable.

Despite the apparent diversity of both the origins of the entrepreneurs and the types of businesses they have established in the various countries, there are clear similar underlying processes. Although there have been notable cases of successful immigrant entrepreneurs in advanced economies (Kloosterman and Rath, 2003), most of these immigrant entrepreneurs are funnelled towards sectors at the lower end of the market. Lacking in many cases access to significant funds of (financial) capital and also deemed lacking in appropriate educational qualifications, most fledgling ethnic entrepreneurs can, in principle, only establish their business in markets with low barriers of entry in terms of capital outlays and required educational qualifications. In these markets, production is mainly small-scale, low in added value, and often very labour-intensive. Consequently, earnings are typically relatively low and days are long and hard for many ethnic entrepreneurs.

Yet, European, national and municipal governments and business associations, as well as a wide array of third-sector institutions, have attached great value to ethnic entrepreneurship. They have tried with varying degrees of involvement to promote the development of Small and Medium Enterprises (SMEs) by introducing support measures that facilitate small entrepreneurs in general, and ethnic entrepreneurs in particular. Many of these interventions focus on improving the performance of ethnic entrepreneurs, for example by providing training and coaching, and other forms of support in the fields of entrepreneurial skills, finance and networking. Other interventions aim at removing obstructions in the regulatory framework for SMEs, which vary from lowering the license requirements for starters and getting preferential access to credit systems to allowing for a period of trial and error without losing the right to receive social security benefits (for an overview, see Van Niekerk, Rath et al., 2008). In so doing, they have emphasised the positive effects of entrepreneurship.

If successful, ethnic entrepreneurs can create jobs for others. This can benefit relatives, friends and acquaintances and, more generally, co-ethnics, as social networks are often interfaces for information on the recruitment of new workers by small firms. Creating jobs then helps to alleviate unemployment among immigrants. Ethnic entrepreneurs can also contribute different forms of social
capital to that of immigrant workers to the immigrant ethnic communities. Because of their links to suppliers and customers, ethnic entrepreneurs can be useful in constructing bridges to other networks outside the inner circle, thus improving chances of upward mobility. Moreover, ethnic entrepreneurs often act as self-appointed leaders for their communities. Most importantly they show that immigrants are not necessarily restricted to filling vacancies on the job market - they can be active agents and shape their own destinies by setting up their own businesses. Even where they are confined to sectors of businesses with few prospects, they are still actors in a very literal sense.

Ethnic entrepreneurs, moreover, may provide goods and services that indigenous entrepreneurs are not as likely to offer. Ethnic entrepreneurs may have expert knowledge on specific demands or specific sources of supply relating to foreign products as in the case of foodstuffs (for example, spices from Indonesia), music (for example, raï music from North Africa), clothing (for example, Indian saris, Brazilian flip-flops and bikinis), health products (such as Chinese traditional medicine, herbal remedies, Asian massages) or videos (for example, Bollywood movies from India). In many cases this almost unrivalled expertise can be based on first-hand knowledge from back home or it can be generated through transnational networks that connect the country of origin with the sometimes extensive diaspora of a specific group of immigrants.

By introducing new products and new ways of marketing, even immigrant entrepreneurs at the bottom end of a market can be innovators - Joseph Schumpeter’s ‘new men’, albeit in a more modest form. One example is the introduction of the döner kebab by Turkish entrepreneurs in Germany. Indigenous entrepreneurs might lack the credibility for specific kinds of businesses, as in the case of Chinese restaurants where the owner and staff need to have at the very least a Chinese appearance. Preferences may keep indigenous entrepreneurs out of certain sectors that require long hours of hard work at low pay that only immigrants may be prepared to put up with. Ethnic entrepreneurs may thus broaden the range of goods and services in a country and hence expand the consumers’ choice. In an indirect sense, this may even allow indigenous entrepreneurs to focus more on activities where they can exploit their own specific comparative advantages.

From a geographical perspective, ethnic entrepreneurs can add vitality to particular streets or even neighbourhoods in cities. If streets are deserted by indigenous businesses and replaced - in an invasion-and-succession sequence - by immigrant entrepreneurs, deterioration can be reversed. As owners of local business-
Immigrant Entrepreneurship

es, they have a clear stake in the prosperity, accessibility, and safety of the street or neighbourhood. In many cases, these businesses are also where members of local social networks gather. They are thus an important component of the social fabric sustaining civic society at the grassroots level.

Whether or not these optimistic expectations are justified remains to be seen. A host of studies has sufficiently demonstrated that entrepreneurial success - and consequently also the effects of it - is contingent on a plethora of social, political and economic conditions (see: Rath, 2002). The sheer complexity of entrepreneurial processes prevents us from envisaging entrepreneurship as a simple one-dimensional phenomenon. That also explains why promoting entrepreneurship is not a self-evident process.

This Special Issue aims to provide an extensive mapping of policies in the promotion of ethnic entrepreneurship in a number of countries. It is motivated by the desire of national and municipal Governments to create an environment conducive to setting up and developing SMEs in general and immigrant businesses in particular. Furthermore it also highlights how the third sector has also had a crucial role in the reinforcement of immigrant entrepreneurship, and provides indications of how best to address this issue at a Governmental level in the future.

The emergence of immigrant entrepreneurship in Europe: National and local variations

Despite the fact that entrepreneurial activities among immigrants have always been present to a certain extent throughout Europe since the formation of the first Nation-States, three historical circumstances made them more visible during recent decades. The first historical circumstance is associated with the growth in twentieth-century mass immigration flows,\(^1\) essentially from mid-1945 onwards, which led to the concentration of foreign communities in various urban centres initially in North and Central Europe, and then in the South of Europe from the mid 1970s onwards (Castles and Miller, 1998: 6). Economic growth and expansion in many markets during the 1950s and 1960s led to a decline in traditional small and medium enterprises and the flourishing of large commercial and industrial production concentrations (Waldinger \textit{et al.}, 1990: 80). It is exactly in this context that the entrepreneurial initiatives of immigrants began to become more visible. The second conjuncture was related to the 1973/74 oil crisis which resulted in an economic recession and the concomitant restructuring of the global economy.
That restructuring implied the reconversion of the modes of production of many companies, the investment of capital in new industrial areas, the shift in patterns of global trade and the introduction of new technologies resulting from the micro-electronic revolution (Castles and Miller, 1998: 78). These changes provoked an inevitable increase in unemployment in the main European economies, which had a high contingent of unskilled labour. This situation resulted in an increase in the number of immigrant employers and self-employed. Immigrants and their descendents, whether unskilled or semi-skilled, managed in this way to find alternative methods of economic insertion in European societies, creating their own jobs or finding employment in the businesses of co-ethnics. As a result, between 1970 and 1980, rates of immigrant entrepreneurship increased in many European countries (Light and Rosenstein, 1995: 12-13; Waldinger et al., 1990: 80).

Finally, many researchers believe that shifts in consumption and production resulting from internationalisation and globalisation in this Post-Fordist Era define the conditions for the continuous development of immigrant entrepreneurial initiatives and those with an ethnic character (Mars and Ward, 1984; Boissevain, 1984; Sassen, 1991). The opportunity structure of European societies therefore became favourable to the entrepreneurial activities of immigrants, as the number of small- and medium-scale immigrant entrepreneurs was augmented (Waldinger et al., 1990: 79).

In sum, the entrepreneurial development of immigrant communities was associated with the decrease in traditional small and medium enterprises and the growth in large industrial productions and large commercial concentrations from the mid-1950s. Later, from the mid-1970s, with the ethnic segmentation of the labour markets and the growth of both institutional and informal discrimination in access to the labour market, there was a proliferation of immigrant entrepreneurs in various European societies (Castles and Miller, 1998: 182-3). In the globalised and cosmopolitan cities of today, where there is an increased demand for ethnic products, conditions are propitious for the propagation of immigrant entrepreneurial activities (Rath, 2007).

According to OECD data, the relative weight of immigrants in the total number of entrepreneurs has increased in many countries (see Table 1).
Table 1 - Foreign-born in self-employment in OECD countries, 2000-2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of foreign-born in total self-employment</th>
<th>Share of self-employment in total foreign-born employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>27.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Austria</td>
<td>6.7</td>
<td>9.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>10.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Denmark</td>
<td>4.8</td>
<td>6.3</td>
</tr>
<tr>
<td>France</td>
<td>11.1</td>
<td>12.7</td>
</tr>
<tr>
<td>Germany</td>
<td>9.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Greece</td>
<td>2.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Ireland</td>
<td>7.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>33.5</td>
<td>38.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>Norway</td>
<td>6.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Spain</td>
<td>3.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Sweden</td>
<td>11.4</td>
<td>14.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10.7</td>
<td>11.6</td>
</tr>
<tr>
<td>United States</td>
<td>14.1</td>
<td></td>
</tr>
</tbody>
</table>


However, the pattern is not uniform in all countries. In some cases, there was an increase in the share of foreign-born in total self-employment, accompanied also by an increase in the share of self-employment in total foreign-born employment. This trend could reflect either an improvement in the social position of immigrants in the receiving society, or indeed an increase in the difficulty for immigrants in accessing the labour market in that same society. In other words, entrepreneurial initiative could be being reinforced as an alternative to the constraints experienced by immigrants (e.g. discrimination in accessing the labour market, lack of knowledge of the receiving country’s language(s), difficulties in the recognition of qualifications, working at a level below their qualifications, low salaries, unemployment).
In contrast, in other countries the share of self-employment in total foreign-born employment decreased between 2000 and 2005, which could be explained by, among other factors, the increase in the flow of immigrant populations with less of a propensity towards entrepreneurial initiatives - thereby reducing the relative weight of entrepreneurs in the total of active foreigners in the country -, the definition of policies to incentivise insertion in the labour market as salaried workers, or policies restricting the creation of businesses by immigrants.

The European Commission has shown itself to be particularly sensitive to the importance that immigrant entrepreneurial initiatives can have, taking into account its own relatively low rates of entrepreneurship compared to other OECD countries (such as the United States of America). The Flash Eurobarometer no. 192: Entrepreneurship survey in the 25 Member States, United States, Iceland and Norway concluded that while the EU-25 and EU-15 prefer the status of employee (50% and 51%, respectively) - because they like the idea of a fixed income and they feel the need for security -, the US population is more inclined towards self-employment (61%).

Indeed, as entrepreneurial initiative emerges as an alternative to the options of economic insertion for immigrants in various receiving societies, the European Union increasingly sees in immigrants the possibility of achieving growth in its rates of entrepreneurship.

Nevertheless, the European Commission itself recognises that immigrants feel some difficulties in undertaking entrepreneurial activities in the various member-states. In the Common Agenda for Integration (COM 2005, 389) the Commission recommended that all the member-states support migrant entrepreneurship, namely through facilitated access to banking and credit services.

Some business support services for immigrants are already being provided in several European countries. A recent study carried out under the aegis of the European Commission provided an inventory of policy measures or support schemes in no less than 32 European countries (Van Niekerk, Rath et al., 2008). The study showed a marked distributional pattern, revealing wide national and local variations. It appeared that the number and type of measures and support schemes are contingent on:

- the specific immigration histories of the countries involved and especially the period in which these countries experienced immigration on a sizeable scale;
the degree to which the countries involved have welfare regimes that include regulatory frameworks and social policies for the economic and social integration of immigrants;
- the national or local political ideologies vis-à-vis immigrants, and national or local models of immigrant integration that determine to a large extent whether group-specific measures are advisable.

Most measures or schemes were to be found in the Northwestern European countries, to a lesser degree in Southern Europe and least in the Central and Eastern European countries.

The 146 policy measures that were identified differ in several respects. The policy measures were grouped according to their policy level: supranational, national, regional and local. Most policy measures were initiated at the national, regional or local level, with the majority of local initiatives occurring in the United Kingdom, Germany, The Netherlands and Belgium. The level of policy initiation did not necessarily correspond to the funding level: most policy measures were financed by European and/or national funding and most local policy initiatives were (co-)financed by higher-level sources of funding.

The large majority of policy measures identified contributed to the capacity for service delivery to immigrants. These services aimed at empowering immigrant entrepreneurs by strengthening their human, social or financial resources. The main focus was on enhancing the human capital of aspiring entrepreneurs (providing information, educational services, training, advice). Services that explicitly foster social networking were small in number, but many promoted networking implicitly. Fewer measures focused on providing financial services, but in fact, many programmes facilitated access to finance by strengthening the entrepreneurs’ skills and knowledge. Occasionally, measures provided material assistance, for example incubator services.

To summarise, these types of service delivery focused on the agency of the entrepreneur as opposed to the structural societal conditions of entrepreneurship. Only a few measures identified focused on structurally enhancing the opportunities for immigrant entrepreneurs. These included, for example the renewal of certain run-down city districts or structurally embedding immigrants and their organisations into mainstream organisations.

Roughly half of the measures or support schemes focused exclusively on immigrants; the rest focused on a general public, including immigrants. Both seemed to have their advantages and disadvantages. The most difficult-to-reach or vul-
nerable groups seemed to be best served by specific measures that advocated a personal or tailored approach with services in immigrant languages, intercultural mediators or outreach officers. Participation in homogenous groups of co-ethnics or with other immigrants seemed also to increase the effectiveness of services. On the other hand, participation in multi-ethnic programmes introduced people to mainstream networks and, hence, fostered contacts in the business world. This could contribute to successfully developing immigrant businesses, since it facilitated access to mainstream business institutions.

It is recognised, therefore, that the trends identified reflect the involvement of many and varied explanatory factors for immigrant entrepreneurial initiative, and the fact that its impact can differ from group to group and from country to country. The existing literature on immigrant entrepreneurial initiatives has sought to specifically explain the involvement of these explanatory dimensions.

Theoretical context

Numerous researchers have highlighted the economic dynamism of immigrant entrepreneurs and their positive effects for the economic growth of various receiving societies and the social mobility of the immigrant populations themselves.

Ethnic entrepreneurship has been an important field of study, especially in classical immigration countries like the United States since the early 1970s and also in European countries since the late 1980s. The relevance of this field of study relates to at least two important policy areas. Ethnic entrepreneurship not only contributes to economic development in certain sectors or cities of the receiving societies, but entrepreneurship may also be a viable route for the economic incorporation and, thus, integration of immigrants and their children. However, this does not hold true for all cities and countries and for all immigrant groups to the same degree. As has been shown, the rate of self-employment and the success of ethnic entrepreneurship vary. Depending on the circumstances in the receiving society and the background of immigrants, some groups are more likely than others to successfully start up their own business.

Studies of ethnic entrepreneurship have examined the issue from different points of view and perspectives. Some argue that ethnic entrepreneurship is a response to blocked opportunities in the general labour market and that, as a consequence, the growing number of entrepreneurs is not necessarily an indication of success. Rather, self-employment is viewed as an economic dead-end for immigrants.
Long working hours, unpaid family labour and low incomes are some of the indicators that support this dead-end hypothesis (see, for example: Barrett et al., 1996; Waldinger et al., 1990).

At the other extreme we find the point of view according to which ethnic entrepreneurship is seen positively as a viable route to upward social mobility. Immigrants are assumed to possess additional ‘ethnic’ resources which may place them in some respects in a favourable position relative to other entrepreneurs (Light, 1972; Werbner, 1984). Others point primarily to the social cohesion of immigrant communities and the importance of ethnic solidarity and relations of trust (for example, Portes and Sensenbrenner 1993; Waldinger, 1996). The emphasis is on the positive effects of these resources in channelling immigrants into entrepreneurship.

Both perspectives are valid in analysing immigrant entrepreneurship and one viewpoint will apply more to certain situations or groups than the other - depending on specific conditions of time and place.

In contemporary studies on ethnic entrepreneurship, there is a consensus that first-generation immigrants often serve their own ethnic community with products or services and thereby develop their own ‘ethnic markets’. It is suggested that ethnic businesses operating within co-ethnic markets are eventually doomed to a marginal existence, and need to break out of the ethnic market in order to succeed (cf. Barrett et al., 1996; Jones et al., 2000; Metcalf et al., 1996; Waldinger et al., 1990). Others have pointed to the one-sidedness of this view and have questioned the inevitability of this breaking out (see: Engelen, 2001).

Explanations for the success of ethnic entrepreneurship have often stressed the role of individual entrepreneurs and their resources in terms of human, cultural and financial capital, that is: the emphasis is on the agency of the ‘ethnic’ actor. On the other hand, there are those who emphasise the economic, social and political conditions that immigrants encounter in the receiving society. Obviously, few would doubt the importance of both - the agency of the entrepreneur and the structural societal conditions. The question is how and to what degree they influence the development of immigrant entrepreneurship.

One of the most widely known examples of this interactional approach, combining agency and structure, is Ethnic Entrepreneurs by Waldinger, Aldrich, Ward et al. (1990). According to the authors, ethnic entrepreneurial strategies emerge in this
interaction between the opportunity structure and the characteristics of groups of immigrants. In this context, they believe that: “[t]he strategies adopted by the various ethnic groups in capitalistic societies around the world are remarkably similar” (Aldrich and Waldinger, 1990: 131).

Although the interactive model provides an important contribution to the debate in this academic field, mainly because it defined the first inclusive perspective of the entrepreneurial strategies of immigrants which paved the way for the theoretical discussion and empirical research, it presents some limitations. As Rath (2000: 7) underlines, Waldinger and his associates assume that immigrants naturally define ethnic entrepreneurial strategies just because they share an ethnicity and/or identify themselves with one group with specific ethnic features and cultural traditions.

Nevertheless, if one considers only ethnicity as a differentiating factor in the economic activities of immigrants, how can one explain the entrepreneurial initiatives of groups without entrepreneurial experience or traditions? How can we explain the diverse entrepreneurship rates of the same immigrant group in different receiving contexts? Empirical research shows that even immigrants who are rooted within their origin group and share common cultural practices have different forms of integrating themselves economically, not necessarily reproducing the choices of the majority of their co-ethnics (Oliveira, 2005).

Hence what defines an immigrant entrepreneurial strategy is not only his or her ethnic background but the degree of resources and opportunities that are mobilised in the start-up process. In other words, immigrant entrepreneurial strategies are not diverse just because of individuals’ different cultural and ethnic references, but because of their options and unequal opportunities of access. Hence immigrants with different ethnic structures, cultural boundaries and even genders, can in fact define similar entrepreneurial strategies in receiving contexts. Indeed it is even possible to identify immigrants with similar strategies to those of nationals (Oliveira, 2007).

Consequently, this model is still influential, although several amendments to the model have been developed since then. Several researchers, notably Portes and his colleagues (Portes and Sensenbrenner, 1993; Portes, 1995) have pointed to the importance of the ‘social embeddedness’ of entrepreneurs. In an attempt to reconcile the emphasis on individual characteristics of entrepreneurs with a macro structural analysis, they stress the importance of the social networks in
which entrepreneurs are embedded and their relevance to successful entrepreneurship. A more recent approach builds on the models of Waldinger and Portes, but is more inclusive. This model of ‘mixed embeddedness’ also includes the political and economic context in the explanatory model of ethnic entrepreneurship, which was often absent in much of the earlier empirical research (Kloosterman and Rath, 2003). Political and economic institutions are crucial in understanding both the obstacles and opportunities for aspiring entrepreneurs to start their own business.

The policy context in which ethnic entrepreneurship develops, and the institutions that govern it, are relevant for the present study. These institutions relate to both formal and informal regulations. Engelen (2001) points to the distinction between legislation and regulation. The term regulation should not be taken as a mere synonym for state regulation. In fact, various modes of regulation exist, from formal to informal, and various agencies are involved in regulatory processes, ranging from state agencies (local, regional, national or supranational) to non-profit organisations and voluntary associations. Regulatory frameworks can be imposed or enforced, or may be based on voluntary action (Engelen, 2001: 210). Economic actions are always regulated in one form or another, even in cases where legislation per se seems non-existent - as in the informal economy (Rath, 2002).

Regulatory regimes sometimes turn out to be obstacles for ethnic entrepreneurs, in particular for low-skilled immigrants coming from economic contexts with less complex regulation than in the country of settlement. Thus, regulation may be an obstacle to setting up their own businesses for some immigrant groups. On the other hand, regulation does not always constrain business start-ups; it may also provide an enabling business environment. This is manifested in different ways, ranging from tolerance towards illicit practices to positive action and business support programmes.

In sum, the examination of immigrant entrepreneurship in the various receiving countries analysed in this Special Issue (Australia, Canada, England, France, Greece and Portugal), both for the purposes of research and for the definition of policy, takes into account the interplay of ethnic and individual resources and the opportunity structure – economy, social, political and regulatory frameworks. As set out below, each article provides an insight into specific opportunity structures, ethnic resources, gender, business support programmes and other elements that contribute to shedding light on explanatory factors for the emergence and success – or otherwise – of immigrant entrepreneurship.
Contents of the Special Issue

In order to provide a more in-depth analysis of the impacts of the diverse policies of the various receiving countries in relation to immigrant entrepreneurial initiatives, this thematic issue presents some examples: Canada, Australia, England, Greece and France (section I). The case studies selected are particularly interesting as they allow us to compare countries that chose to develop a policy of promoting immigrant entrepreneurship and/or the entry of immigrant entrepreneurs into the country – as is the case with Australia and Canada –, countries that focus on having a relatively liberal regulatory regime combined with a high level of third-sector intervention – such as England – and other countries that have regulations that inhibit immigrant entrepreneurship - like Greece and France.

In Hiebert’s contribution on the immigration of entrepreneurs and investors – ‘Business Class’ immigrants – to Canada, it becomes clear that a regulatory regime that explicitly attracts and promotes the entry of immigrant entrepreneurs has not served to promote immigrant entrepreneurship itself, as it is based on the flawed assumption that “success in one political-economic-institutional context” guarantees success in another. Thus we see that, as analysed above, immigrant entrepreneurs experience difficulty in adapting to the regulatory and tax environment. Similarly to Canada, the Australian ‘Business Migration programme’ focuses on promoting immigrant entrepreneurship, though as Collins demonstrates in his article, ‘one size’ does not fit all, as immigrant entrepreneurial trajectories are diverse in terms of ethnicity, business sector, gender and other factors, as mentioned above in relation to entrepreneurial strategies. He therefore suggests various policy directions in order to improve the situation, such as reducing administrative and regulatory burdens, improved communication strategies, a whole-of-government approach and the promotion of the ethnic economy and urban ethnic tourism.

In the European context, the United Kingdom is characterised by a low level of regulation and an increasing number of support initiatives. As Ram and Jones observe, the over a quarter of a million Ethnic Minority Businesses in the UK are faced with the difficulty of breaking out of low value-added sectors – the marginal existence identified in the literature above -, questioning the perception of self-employment as a means of upward mobility. In contrast, as Hatziprokoopiou demonstrates, Greece presents restrictive rules and structures, confining many immigrants to salaried employment. However, in considering both the socio-economic and the institutional context, the author identifies diverse types within the nascent
immigrant entrepreneurial sector: disadvantaged survival entrepreneurs; value entrepreneurs; ethnic entrepreneurs; and the Chinese ‘commercial diaspora’, recommending a reduction in bureaucracy and discrimination as beneficial to all. Finally, concluding Section I, Dinh and Ma Mung provide an analysis of the effects of policy on immigrant entrepreneurship in France, particularly focusing on legislative discrimination in the labour market as a motivation for self-employment, despite the entrepreneurial option only being open to long-term residents and French nationals.

As Portugal is also experiencing many political shifts in this area – for example, the 2007 Immigration Law now provides for a special status for immigrant entrepreneurs and the Plan for Immigrant Integration 2007-2009 includes several measures to support immigrant entrepreneurship –, it is also relevant to place particular emphasis on this theme. In section II of this Special Issue, there is an analysis of immigrant entrepreneurship in Portugal, in relation to both the legal and institutional context of recent decades, and the characteristics of the immigrant populations themselves. Oliveira’s article highlights the shift in Portuguese policy in recent years from a regulatory framework that had inhibited immigrant entrepreneurship for some decades (such as labour law and immigration acts) to newer legislative developments that seek to stimulate immigrant entrepreneurship. The latter forms part of a more general integration policy, where immigrant entrepreneurship is seen as a way of improving economic insertion in the labour market and combating social exclusion. Oliveira further characterises the impacts of the previous regulatory framework on the entrepreneurial initiatives of different immigrant groups, arguing that in times of regulatory restriction, ethnic and personal resources take on a more relevant role in succeeding in business.

Furthermore in this section the impacts of immigrant entrepreneurship are considered at two distinct and complementary levels: on the one hand, as incentivising the exchange between the economies of the countries of origin and the receiving societies; and on the other, as providing the potential for the flourishing of creative strategies in the local contexts or destination cities. Malheiros’ article on immigrant entrepreneurs of Indian origin in the Lisbon Metropolitan Area clearly demonstrates how that community contributed to revitalising run-down areas and introducing new products and new features to the urban landscape. He nevertheless concludes that while the strategies of these entrepreneurs incorporate innovative and creative features, they do not fully correspond to Socially Creative Strategies.
Shifting the perspective somewhat to the countries of origin, Santos Neves and Rocha-Trindade’s article explores the impact of Chinese immigrant entrepreneurs as members of a diaspora, functioning within a globalised information society. The authors highlight these entrepreneurs’ multifaceted role as importers of Chinese goods, promoters of foreign investors in China, sources of information on business and markets, and agents of Chinese regional ‘paradiplomacy’. They represent, as such, an informal instrument for China’s ‘soft power.’ A similar strategy for the Portuguese diaspora is consequently recommended.

Also, recognising that the research has often overlooked immigrant women entrepreneurship, Padilla provides a contribution on the initiatives of Brazilian women entrepreneurs in Portugal. She demonstrates how gender can interact with discrimination and racism in the opportunity structure of the receiving society, presenting obstacles such as lack of recognition of qualifications and family obligations. Nevertheless, Brazilian women are seen to have identified and capitalised upon an ethnic niche in Brazilian products. As experiences vary between survival entrepreneurial strategies and mobility entrepreneurial strategies – or even loss of the status of entrepreneur through the migration process –, further research and support policies are recommended.

Taking into account that immigrant entrepreneurship is also a result of the existence of various support programmes and initiatives, both Governmental and from civil society, section III of this journal furthers the sharing of examples in the area of incentivising entrepreneurial initiatives among immigrants in the United Kingdom, Spain and Portugal. These range from financial support for targeted support programmes by the Phoenix Fund in the UK, to specific training and advisory services by Bolton City Council and the Lanzadera project in the UK and Spain, respectively, and the Immigrant Entrepreneur of the Year Award in Portugal. Other initiatives by the National Association for the Right to Credit and the Jesuit Refugee Service build on the concept of microcredit to finance entrepreneurial initiatives in Portugal, while two other NGOs active in the Portuguese context, K’CIDADE and ASI’s Predictive Factors in the Employability of Migrants project also provide examples of ways of supporting immigrant entrepreneurs.

Finally, section IV of this journal comprises two issue papers where the authors present critical reflections on the theme, identifying the main opportunities and obstacles associated with immigrant entrepreneurship in the European Union in general and Portugal in particular, providing recommendations for overcoming these difficulties. These recommendations include: analysing individual needs
and the embeddedness of immigrant entrepreneurs; raising awareness of immigrant entrepreneurs and improving lines of communication about support programmes; and creating the conditions for the creativity and success of entrepreneurs while at the same time channelling part of this success towards other segments of the population in order to benefit economies and societies overall.

Notes

1 To a large extent, these first migratory flows emerged in the context of the ‘guest worker system’ and colonial relationships.
2 See the issue paper by Thomas Jaegers from European Commission - DG Enterprise and Industry in this Special Issue.
3 Although it might be argued that the famous American propensity towards entrepreneurship is not reflected in actual self-employment rates, but only in attitude surveys. In terms of rates, they hardly differ from those in some European countries.

References


