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Ghanaian entrepreneurship

First-generation Ghanaian entrepreneurs in the Netherlands

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1. Immigrant Entrepreneurship in the Netherlands

1.1 Introduction

In 1980, Nana left Ghana in her early twenties and came to the Netherlands attracted by promising stories of economic prosperity from a number of Ghanaian returnees from the Netherlands. She left Ghana and settled in Amsterdam with the sole aim of pursuing economic prosperity. While in Amsterdam, she met a Ghanaian man and fell in love. After three years of dating, family members of the couple married them back in Ghana. In the early years of her stay in the Netherlands, Nana worked in low-skilled and often informal jobs despite the secondary school qualification she had obtained in Ghana. Having obtained her legal stay status in the Netherlands in 1985, Nana initially undertook Dutch language courses which she felt would enable her to pursue Dutch secretarial and administrative courses. She believed that the only path to socio-economic prosperity in the Netherlands was firstly to be proficient in the Dutch language. Nana achieved her educational goal and ambition by finally obtaining a higher vocational education (HBO) degree in Business Administration. She was later employed by a Dutch bank as a cashier at one of their Amsterdam branches. She lost her job in 2001 because the bank downsized and reduced its workforce. After that Nana decided that, instead of applying for a new job, she would take her economic 'destiny' into her own hands. With the help of her husband, she decided to become self-employed. In 2002, Nana established her candies shop in the 'Bijlmermeer' neighbourhood of Amsterdam. She started importing ginger candies from Ghana. Nana defines her shop as a mainstream business because her products are bought by native Dutch and immigrants alike. Prior to starting the business she received some practical business training from 'Ondernemershuis Amsterdam Zuidoost' which included writing a winning business plan and how to manage and expand a business. She raised part of her capital from the bank she worked for after presenting her business plan for financial assistance. The rest of the initial capital was gathered from joint savings she had with her husband.

Another case in point is Charles, who came to the Netherlands in 1990, when he was in his late twenties, to join his wife who had already settled in The Hague. He completed his General Certificate Advanced Level and was allowed to enrol in one of the universities of Ghana but instead he chose to go into business. Prior to coming to the Netherlands he was interested in hardware retail. Charles had an entrepreneurial mind and spirit but discovered that it was impossible to start a successful business in the Netherlands without being proficient in the Dutch language. He enrolled in part-time Dutch lessons in the evenings and worked during the day as a factory hand. According to him, with the help of his wife and their two children he became reasonably proficient in the Dutch language. Given his ambition to become an entrepreneur, and considering the opportunities available, Charles chose to start an African dish

restaurant. He claimed that cooking delicious African dishes had been a family tradition, since his mother and sister both have their own restaurants in Accra, the capital city of Ghana. Charles began his business informally by cooking and selling at African events in The Hague and Delft. The informal business started to grow and, with advice and financial help from his wife, he formally opened a restaurant in The Hague in 2003. He sells purely African dishes such as ‘banku’ and ‘okra’ soup, rice and stew popularly known as ‘jollof’ and a few other meals. In addition, he sells non-alcoholic and alcoholic beverages. Charles claims he has never regretted starting his own business because both Europeans and Africans come there regularly to enjoy his meals.



The Ghanaian restaurant owner enjoying a typical African dish with one of his regular Dutch clients

The entrepreneurial undertakings by both Nana and Charles illustrate a few key issues. First of all, when both first-generation Ghanaian entrepreneurs came to the Netherlands in the 1980s, other immigrants

from non-Western countries had already settled in the country and had become self-employed. However, they both still discovered niches in the business market in which they could realise their ambitions. Charles, for example, came to the Netherlands with the ultimate goal of becoming an entrepreneur while Nana, on the other hand, realised her entrepreneurial ambition after she had settled in the Netherlands. Though they are engaged in different types of business, they chose to be self-employed when they saw the opportunity to do so. In other words, immigrants such as Nana and Charles realised that there were opportunities for self-employment in the Netherlands. Second, although their business establishments initially seemed to reflect the ethno-cultural identity of the entrepreneurs themselves, both of them envisioned businesses that would eventually sell beyond the African community. Third, their businesses are clearly embedded in a wider concrete economic and politico-institutional framework that promotes or constrains opportunities for different kinds of businesses. Finally, both entrepreneurs realised that, in order to establish a business that attracts mainstream customers, it is critically important that one becomes proficient in the Dutch language.

In a nutshell, this dissertation gives a general overview of and addresses the entrepreneurship of the first-generation Ghanaian immigrants in the Netherlands. It also aims to explain how first-generation Ghanaian immigrants were able to explore the opportunities in the Netherlands and to establish businesses using the resources at their disposal.

1.2 Immigrant (non-Western) Entrepreneurs in the Netherlands

In recent decades the Netherlands has witnessed a rise in the number of immigrant entrepreneurs, notably from non-Western countries (ITS 2007; CBS Statline 2009), and this has led to an increasing number of studies on immigrant entrepreneurship (Bovenkerk et al. 1983; Boissevain et al. 1984; Bakker and Tap 1985; Veraart 1987; Choenni 1997; Rijkschroeff 1998; Raes 2000; Rusinovic 2006; Maas 2011; Jacobs 2012; Sahin 2012). At the end of the twentieth century, an increasing number of immigrants started their own businesses in the Netherlands (Rath and Kloosterman 2003; Kamer van Koophandel 2007).

There were around 12,000 non-Western migrant entrepreneurs in the Netherlands in 1989. This number increased to 61,000 in 2007 (EIM 2011; see Jacobs 2012) followed by a sharp increase to 93,600 in 2013 (CBS Statline 2013). In absolute numbers, the largest group among the non-Western immigrant entrepreneurs, in both the first and the second generation, originates from Turkey and Surinam (Van den Tillaart 2007). In 2006, there were 16,505 Turkish entrepreneurs, 10,465 Surinam entrepreneurs, 7,475 China/Hong Kong entrepreneurs, 6,810 Moroccan entrepreneurs and 2,855 entrepreneurs from the Dutch Antilles/Aruba (ibid.).

In 2013, according to Veronique Schutjens (2014), there were some 1,117,000 self-employed in the Netherlands. A large number of them are self-employed without personnel (so-called *zelfstandig zonder personeel* or *zzp-ers*). By the end of 2013 it was estimated that there were some 800,000 self-employed people without employees in the Netherlands (www.ikwordzzper.nl/zzp-kennisbank). About 82 per cent of the self-employed were native Dutch, 10 per cent migrant entrepreneurs of western origin, and the remaining 8 per cent were non-western migrant entrepreneurs. The share of self-employed of Dutch origin of the total labour force of Dutch origin rose from 12 in 2001 to 14 per cent in 2013. The corresponding share of self-employed migrant entrepreneurs of non-western origin in the total labour force of non-western immigrants also showed a rise, but this was much more modest from 9.1 per cent in 2001 to 10.4 per cent 2013 (Schutjens 2014). In addition, the number, and hence also the share, of non-western migrant entrepreneurs displayed much more volatility and they seemed to be more vulnerable for cyclical swings.

Immigrant businesses in the Netherlands are typically found in urban areas, particularly in the Randstad conurbation. The appearance of these businesses in neighbourhoods with high concentrations of immigrants in the big cities in the Randstad, which are Amsterdam, Rotterdam, The Hague, and Utrecht, has caused visual changes. According to Kloosterman et al. (1999) the increase in the number of immigrant businesses in these neighbourhoods has noticeably changed the outlook of the larger Dutch cities in the last quarter of this century. 'It started with the crowds in the street and by now this demographic shift has also manifested itself in the rising number of immigrant entrepreneurs' (ibid.: 253). As a result, the four largest Dutch cities have not only acquired a distinctly more cosmopolitan outlook (Rath and Kloosterman 1998a), but 'have also become more like other advanced urban economies such as New York, Los Angeles, London, Paris and Marseilles, where immigrant entrepreneurs are prominently present as well' (see Kloosterman et al. 1999: 253).

These immigrant entrepreneurs are altering cities in more than one way: from revitalising formerly abandoned shopping streets to creating employment and from introducing new (or formerly "exotic") products to new marketing strategies (Rath and Kloosterman 1998b; see Kloosterman et al. 1999: 253; Shaw et al. 2004; Pang and Rath 2007), by fostering the emergence of new spatial forms of social cohesion (Tarrus and Péraldi 1995; Simon 1997) and by indulging in economic practices which challenge the existing regulatory framework (Kloosterman et al. 1998).

Besides this, Rath et al. (2011) have highlighted some distinctive characteristics of non-Western entrepreneurs and their businesses which set them apart from native entrepreneurs. Migrant entrepreneurs provide services and goods that native Dutch entrepreneurs are less likely to offer. For example, specific foreign products, as in the case of foodstuffs e.g. spices from Indonesia, music (e.g. rai music from North

Africa) or videos (e.g. Bollywood movies from India) and of recent films (e.g. Nollywood movies from Nigeria).

Openings for migrant entrepreneurs may occur through the emergence of niche ethnic markets. Especially, foodstuffs, music and movies that originate from the home countries are typically offered by entrepreneurs who migrated from these countries. These migrant entrepreneurs usually possess the knowledge and, in addition, the credibility to sell these “ethnic products” (Rusinovic 2006; Rath et al. 2011:4). There are, however, also other mechanisms for creating opportunities for migrant entrepreneurs. Using the garment industry as an example Rath et al. (2011: 4), stated that ‘*immigrants bring skills no longer reproduced on a sufficient scale in the advanced economies. In addition they are willing to work long hours and also use their social capital and networks to reduce production and transaction costs, sometimes circumventing the prevailing rules and regulations*’ (ibid).

More recently it has become clear that not only immigrants from Surinam, the Dutch Antilles, Turkey and Morocco - the ‘traditional groups’ - have been setting up shops in the Netherlands, but also so-called ‘newcomers’, immigrants from other non-Western countries have emerged as entrepreneurs. These ‘newcomers’ include Egyptians, Ghanaians, Somalis, Iranians, Afghans and Iraqis (see Rath and Kloosterman 2003; see Van den Tillaart 2007). In this dissertation I will take a closer look at the first-generation Ghanaian immigrant entrepreneurship in the Netherlands.

1.3 Background to the Research Problem

In 2013, there were more than 3 million immigrants officially registered as living in the Netherlands. The word ‘immigrant’ refers to a person who is born in or outside the Netherlands and with one or both parents being foreign born (Rusinovic 2006:16; <http://focus-migration>). According to Rusinovic (2006:16), the term ‘immigrant’ includes ‘parents born in another country and their children born in the Netherlands’. What is more, there is a distinction between Western and non-Western immigrants which is based on the country of origin. Immigrants in the ‘Western’ group consist of people from Europe (excluding Turkey) and those from North America, Oceania, Japan and Indonesia. Because of the colonial past, many people in the Netherlands were either born in Indonesia or have at least one parent who was born there and they are counted as ‘Western’ immigrants, whereas Japan is included on the basis of socio-economic development (ibid.; see Engbersen et al. 2007:9; Alders 2001). All other immigrants from Africa, Asia (excluding Japan and Indonesia), South America are grouped under the ‘non-Western’. It is estimated that about 2 million of the over 3 million immigrants in the Netherlands in 2013 are regarded as non-Western, which accounts for a relative growth of more than 11 per cent of the official total number of people in the Netherlands (see CBS 2013). Most research has been on these “traditional” groups of non-

Western immigrants in the Netherlands which include Antilleans, the Surinamese, Turks and Moroccans (Ours and Veenman 2004: 476; Garssen and Zorlu 2005:14; Rusinovic 2006; Obdeijn and Schrover 2008; Rath 2009; Sahin 2011; Jacob 2012). That also holds for research on immigrant entrepreneurship in the Netherlands which too has focused mainly on the four groups. Much of this research examines the factors that lead immigrants to become self-employed. Often the research on immigrant entrepreneurship in the Netherlands has been dominated by social scientists who have examined the (real or assumed) ethno-cultural characteristics of the immigrant populations (Rath and Kloosterman 2000). The argument, based on this one-sided supply side approach which focuses on the immigrant entrepreneurs, is that immigrants would enjoy a particular 'ethnic advantage' to start and maintain 'ethnic businesses' (Aldrich et al.1984; Bun and Hui 1995:523).

Though there are exceptions (see Kloosterman et al. 1999; Rath 2002; see Rusinovic 2006; see Sahin 2012), such a limited view and focus based on ethno-cultural characteristics and processes of the traditional migrant groups has tended to view immigrant groups as culturally homogenous and that, most, if not all of them follow the same path of incorporation. Besides, this narrow view on immigrant entrepreneurship was often at the expense of other important aspects such as political and economic environment in which the immigrant entrepreneurs operate (Kloosterman and Rath 2003). This study of the Ghanaian immigrant entrepreneurs opts for a broader perspective by taking account of their characteristics and resources, the opportunities for entrepreneurs, and the institutional framework and policies that facilitate and promote entrepreneurship.

Ghanaian immigrants are also registered as non-Western. Although lumped together with the 'traditional' migrant groups as non-Western immigrants, there are quite a few differences between Surinamese, Turks, and Moroccans on the one hand, and Ghanaians on the other, with regard to timing, process of migration, resources and socio-cultural affinities. This research aims to define how these differences have impacted on Ghanaian entrepreneurship in the Netherlands.

The issue to be investigated in depth in this research is how the first-generation Ghanaian immigrant entrepreneurs were able to exploit the opportunities in the Netherlands for businesses. An attempt is also made to verify whether the kind of businesses they set up are different from those of the first-generation Turks and Moroccans given the supply side characteristics of the Ghanaians and the changes in the host country's economy.

1.4 The Research Population

The main concepts in this research are first-generation immigrants and immigrant entrepreneurs. However, strictly speaking, using the concepts of 'ethnic' entrepreneurs and 'immigrant' entrepreneurs

interchangeably generates some confusion (see Kloosterman and Rath 2003). Ethnic entrepreneurship can be defined as ‘a set of connections and regular patterns of interaction among people sharing common national background or migration experiences’ (Waldinger et al. 1990: 3). ‘Immigrant entrepreneurship’ is often thought of as, to a greater or lesser extent, distinct from native businesses, which is then attributed to the specific skills and resources that immigrants would possess (Rath and Kloosterman 2002a).

Immigrant entrepreneurs include individual entrepreneurs who have actually immigrated over the past few years (see Sahin 2012). This definition therefore excludes those of ethnic minority groups who have been living in a country for much longer periods, spanning centuries or even longer, such as Afro-Americans in the US and Jews in Europe. Furthermore, how immigrants or ethnic minorities are defined depends on the specific national incorporation regime and differs from country to country (Hollifield 1992; Soysal 1994; see Rath et al. 2011). In this research, immigrant entrepreneurs is used as a more generic and neutral term (see Rusinovic 2006).

This research investigates the emergence and dynamics of the first-generation Ghanaian immigrant entrepreneurs and their businesses mainly in the cities of Amsterdam, Rotterdam and The Hague, where most of the Ghanaian population in the Netherlands is concentrated. The number of Ghanaian immigrants in the Netherlands, including both the first- and second-generation, was 21,900 in 2012, with 62 per cent being first generation. Ghanaian immigrants are the second most populous group from sub-Saharan Africa in the Netherlands, just after Somali immigrants who numbered 23,900 in 2012 (CBS 2012). The Ghanaian immigrants also stand out among the sub-Saharan immigrants as relatively entrepreneurial (see Choenni 1997; see Van den Tillaart 2007). The Ghanaian businesses are concentrated in Ghanaian food products, barber shops and salons, crèches, flyer and folder distribution, money transfers, travel and ticket, export of used cars and household appliances, temping agencies and cleaning services. However, as research on Ghanaian migrant entrepreneurs is limited, many questions remain unanswered, such as how did the Ghanaians emerge in these lines of businesses, are they successful and if so, which resources were crucial?

1.5 Research Questions and Expectations

The active involvement of sub-Saharan African migrants in entrepreneurship is a recent phenomenon in the Netherlands. Ghanaian migrants, for example, were known to have worked in menial and in low-paid jobs in cleaning, manufacturing, construction, catering and hotel as well as in horticulture (Choenni 2002). How then, did the Ghanaians as migrant group that was, hitherto, concentrated in low-paying jobs manage to start their own businesses and in which sectors are these businesses established?

Have the first-generation Ghanaian immigrant entrepreneurs been able to establish businesses which are different from other first-generation immigrants particularly from the non-Western nations giving the resources they possess and the shifts that have occurred in the opportunity structure of the Netherlands? The assumption is that first-generation Ghanaian immigrants who came to the Netherlands possess higher educational qualifications than their counterparts from, for example, Morocco and Turkey and have the capacity to move away from more traditional businesses and the ethnic markets into more promising sectors of the Dutch business market. In this dissertation I examine whether or not this assumption is correct.

English is the official Ghanaian language. However, most of the native Dutch population speak English and this gives Ghanaian migrants an advantage as regards extending their social network beyond their own Ghanaian community. It could be expected, therefore, that these resources may enable them to start rather different and more promising businesses than their Moroccan or Turkish counterparts. This assumption is also going to be examined in depth.

This research focuses primarily on the micro level, namely the entrepreneurs and the resources they possess which enable them to start their own businesses. I also take account of the fact that first-generation Ghanaian immigrant entrepreneurs are embedded in the wider economic and institutional environment of the Netherlands which impacts on the businesses and the sectors.

Consequently, this research follows the approach of ‘mixed embeddedness’ developed by Kloosterman (et al. 1999; Kloosterman 2000; Kloosterman and Rath 2001; see Rath 2002; Kloosterman 2010) which presents an interplay of the characteristics of the individual entrepreneur and the opportunity structure as well as the institutional framework. Special attention will be paid to how the first Ghanaian immigrant group is embedded in social networks and how this has impacted their entrepreneurship (Kloosterman and Rath 2000: 8).

Social networks are among the most important types of structures in which economic transactions are embedded according to Portes (1995: 8). As stated by Portes (ibid) ‘networks are important in economic life because they are sources for the acquisition of scarce means, such as capital and information’. The following research questions which specifically deal with the different resources of the entrepreneurs will be addressed as indicated below.

Human capital

This dissertation addresses the question of how first-generation Ghanaian immigrant entrepreneurs have used their human capital to set up their businesses in the Netherlands. The assumption is that any discussion about the likelihood of a start-up and subsequent growth of entrepreneurial ventures is incomplete without recognizing the role played by the immigrant’s human capital (Sequeira and Rasheed

2004: 87). Human capital refers to the capabilities of individuals which enable them to respond to new situations (Rasheed 2004: 87; Coleman 1988). Human capital encompasses in this case: formal educational qualifications, business-related experiences, language proficiency of the host country and other related skills. In this regard, both pre-migration and post-migration human capital are discussed to find out how the different levels of human capital of the Ghanaian immigrants have influenced entrepreneurship, in other words different sectors in which they have started their businesses, the different markets in which the businesses are inserted as well as the successes or failures of these businesses.

Financial capital

With respect to financial capital, it is assumed that every entrepreneur whether a native or an immigrant generally needs funding for their business (Rusinovic 2006: 84; Waldinger et al. 1990:137; Wolf and Rath 2000; Jones et al. 2014). However, it is evident that most of the immigrant entrepreneurs receive their funding from family members or relatives (Kumcu et al. 1998: 133-134; Wolff and Rath 2000: 22; EIM 2004: 4; Rusinovic 2006: 85). In this dissertation, I examine the sources of finance used by Ghanaian immigrants to set up their businesses in the Netherlands. Besides this informal source of financing I establish whether first-generation Ghanaian entrepreneurs have also resorted to formal financing through banks and other financial institutions in the Netherlands.

Social capital

Immigrant entrepreneurs mostly depend on their family, kinship and their own groups to set up their businesses and thus have not found it expedient to extend their networks beyond their own (Gold 1995; Portes 1998: 14; Rusinovic 2006: 82). Consequently, these entrepreneurs have either not made the effort or find it difficult to obtain assistance from banks, government and other institutions in setting up their businesses (Rusinovic 2006: 82; Carter et al. 2015; Nkrumah 2016). Dependence on family resources can then be very useful for the initial start-up. However, many businesses cannot develop over time without acquiring additional resources (Chandler and Hanks 1998) especially from outside the owner's own circles.

Another question to be addressed here, therefore, is what role has social capital and social embeddedness of first-generation Ghanaians played in their entrepreneurship? This question consequently examines the informal and the formal networks in which first-generation Ghanaian immigrant entrepreneurs are embedded. Conventionally, immigrant entrepreneurs are able to start their businesses and remain in business because first they are financed by family and second they use low-paid or unpaid (family) labour (Kloosterman et al. 1998; Rusinovic 2006:85).

Social networks and social capital, then, may be instrumental to gaining access to resources necessary for the survival or expansion of the firm. Those whose networks are dense and overlapping and consist of non-redundant contacts are those who are most likely to prosper (Burt 2001). In other words, first-generation Ghanaian entrepreneurs, who are able to access formal and informal social networks beyond their ethnic community, are more likely to become successful. It should be noted that, as immigrants, Ghanaian entrepreneurs are not only inserted in local networks within the Netherlands but also in transnational networks (Light 2005: 661; Rusinovic 2006: 111; Mazzucato 2008a, 2008b; Nkrumah 2016). In addressing these questions, I also discuss the contribution of transnational embeddedness to the development of the Ghanaian businesses.

Analysing the emergence and dynamics of this more recent entrepreneurial group can help to broaden our views on immigrant entrepreneurship which have been mainly based on the trajectories of the ‘traditional’ group of immigrant entrepreneurs. Given the differences in resources and in the set of opportunities Ghanaians faced when they arrived in the Netherlands in the 1990s, when de-industrialisation had run its course and the Dutch economy was booming, the trajectory to entrepreneurship by Ghanaian immigrants in the Netherlands might be rather different from those followed by the first-generation Surinamese, Antilleans, Moroccans or Turks. As a point of departure, this thesis attempts to discover whether Ghanaians have benefitted from the era of de-industrialisation by entering into new market segments and escaping from the ‘traditional’ low-end activities of retail, wholesale, catering and hospitality which have lower access barriers and require fewer skills (Baycan-Levent et al. 2009; Hermes and Leicht 2010; Sahin et al. 2011). This research, then, positions its findings in a broader perspective of trajectories of other migrant entrepreneurs.

1.6 Research Relevance

Immigrants constitute an integral part of the Dutch society and economy. Dutch society has clearly become more multicultural and is made up of people from many different countries and backgrounds. A significant number of immigrants have started their own businesses. The role and impact of immigrant businesses can be clearly seen in many relatively deprived areas in the larger Randstad cities where they have helped to bring about urban regeneration during the past two decades (see Kloosterman et al. 1999; see Rusinovic 2006; Beckers 2010; see Sahin 2012). Their businesses include the retail of various kinds of goods, restaurants, wholesale businesses money transfers, travel agencies, automobile shipping companies, barber shops, crèches, consultancies, software firms, temping agencies, cleaning companies, and for example, internet cafés.

In their research of promoting immigrant entrepreneurship in European cities, Rath et al. (2011: 2) clearly show the importance and the relevance of studying businesses of non-Western immigrants from less-developed countries. This includes creating their own jobs as a means to circumvent some of the barriers they may encounter in looking for a job due to the (real or deemed) lack of appropriate human capital and lack of access to relevant social networks. When their businesses are successful they are also able to create jobs for families, friends, acquaintances and more generally co-ethnics. Some entrepreneurs are able to connect to other networks outside their inner circle, thereby improving their chances of upward social mobility. Finally, although some of these entrepreneurs are confined to lines of businesses offering only a limited prospect of success, they still can be seen actors in the sense that they actively take their (socio-economic) fate in their own hands (Kumcu 2001).

As stated before, the presence of immigrant businesses in the four major cities of the Randstad has also contributed to the emergence of a cosmopolitan outlook in which the role of immigrants is clearly visible (see Rath and Kloosterman 1998a; see Kloosterman et al. 1999). Given that these entrepreneurs include an increasing number of people from groups of 'newcomers', such as migrants from Ghana, it makes sense to look at Ghanaian entrepreneurs, not only from the point of view of the individuals concerned, but also from the perspective of the host society, more particularly from the larger cities in the Randstad where the neighbourhood economies benefit from their activities.

1.7 Organisation of the Dissertation

This dissertation is organised into seven chapters. In Chapter 2 I elaborate on the central concepts, and review and assess the main theoretical explanations of immigrant entrepreneurship. This chapter particularly positions Ghanaian entrepreneurs in the existing literature on immigrant entrepreneurship in the Netherlands and briefly discusses the concept of mixed embeddedness, the central theme of this research. The chapter ends with a general research question and expectations on how Ghanaian entrepreneurs have used their resources to exploit the opportunities for business development in the Netherlands after 1990 when many of them arrived in the country; and how are they different from the traditional non-Western migrants especially from Turkey and Morocco both in resources and in business sectors? This question attempts to enrich further and add to the theoretical explanations and, to some extent, undo the limitations in the discussions of immigrant businesses in the Netherlands. It also ushers in new sources of contemporary discourses concerning migration, migrant resources and opportunities.

Chapter 3 briefly presents an overview of migration to the Netherlands from the 1960s and afterwards and specifically the different groups of migrants that migrated to the Netherlands. The chapter mentions and identifies these groups based on their migration motives. It discusses the group of migrants from the

former Dutch colonies which includes those from Indonesia, Surinam and the Antilles. The second group is the guest workers from the Mediterranean countries, which include Moroccans and Turks. The third, which is rather more recent, consists of migrants from Afghanistan, Somalia, Ghana and a few other countries. This group fled from political, ethnic, religious or other forms of persecution or they came as in the case of Ghanaians in particular, to seek a better life from the Netherlands with more socio-economic prosperity. It also mentions even more recent groups of migrants which include knowledge migrants and those from new European Community states of Eastern Europe. The chapter briefly mentions entrepreneurship among the first-generation Turks, Moroccans, Surinamese and Antilleans and describes the sectors in which most of them have established businesses and will attempt to briefly explain why they are engaged in those sectors. The chapter shifts to Ghanaian migration to Europe and other Western countries and attempts to identify the push and pull factors involved. Finally, the chapter attempts to discover the push and pull factors of Ghanaian migration to the Netherlands and briefly describes the characteristics and pre-migration resources of the Ghanaian migrants. The chapter ends with a conclusion and the specific questions for Chapter 4.

Chapter 4 describes the Ghanaian population in the Netherlands and the cities in which they are mostly concentrated and explains the reasons for this concentration. I also introduce a general overview of non-Western immigrant self-employment in the broader context of market participation. This section deals with immigrants from Turkey, Morocco, Suriname and Dutch Antilles. An attempt is also made to find out any information about the number of Ghanaian businesses in the Netherlands and in which cities the Ghanaian entrepreneurs and their businesses are located. In this Chapter, I also explore whether there is any relationship between the population of the Ghanaian migrants in a city and the rate of entrepreneurship. I also create a profile of the first-generation of Ghanaian immigrant entrepreneurs in terms of their personal characteristics such as, age, gender, educational background and motivation for self-employment as well as their business profiles. I also present the business profile and the sectors in which their businesses are inserted. This chapter also illustrates their transnational economic engagement profile.

Chapter 5 describes the three main resources (namely human, financial and social capital) that are crucial to the entrepreneurial development of the Ghanaian immigrants in Netherlands. Sequeira and Rasheed (see 2004) asserted that any discussion about the likelihood of immigrants to start businesses and the subsequent growth of these businesses is incomplete without recognising the role played by the immigrants' human capital. Besides, an immigrant from non-OECD country like Ghana is said to possess inadequate or inappropriate educational qualifications or skills (see Kloosterman 2000). Immigrants from developing countries are, as a result, assumed only to set up businesses in low-threshold openings in a developed economy such as the Netherlands. In the first place the chapter looks at the pre-migration

human capital of the first-generation Ghanaian immigrants in the Netherlands in contrast to these assertions and attempts to ascertain whether or not these assertions are applicable to first-generation Ghanaian immigrants in the Netherlands.

The chapter further discusses both the informal and formal sources of finance for Ghanaian businesses. The discussion of the sources of financing for Ghanaian businesses is viewed in a broader context of social embeddedness and social capital. Like any other immigrant from a developing country a Ghanaian immigrant is assumed to possess inadequate financial resources and only be able to start a low-threshold business which requires a small amount of capital (*ibid.*). Raising financial capital from banks is generally a problem for all new entrepreneurs (Granovetter 1995) and, for various reasons, this applies more particularly to aspiring immigrant entrepreneurs (SER 1998). Consequently, immigrant entrepreneurs, and particularly those from developing countries, tend to raise capital for their businesses from informal sources. The discussion of both formal and informal sources of finance will show whether Ghanaian entrepreneurs mostly rely on informal source of finance or not, while taking account of the fact that immigrant entrepreneurs are known to make use initially of family loans to set up their businesses (see Kloosterman et al. 1998).

The section on social capital describes how the Ghanaian entrepreneurs through their membership in social networks have obtained non-financial resources to start their businesses. With regard to both formal and informal social networks, the chapter specifically looks at how first-generation Ghanaian entrepreneurs' embeddedness in these networks has benefited them in their start-ups. With respect to formal social networks, the chapter describes national, municipal and local organisations and agencies which are purposefully established to support (immigrant) entrepreneurship in the Netherlands. In addition, the form of support and contribution that the respondents receive from any of these formal organizations and agencies is also discussed. Apart from the formal sources the chapter also describes the informal social networks of the respondents and also looks at how these entrepreneurs have relied on these networks for scarce non-financial resources to start and manage their businesses. These non-financial resources, which are mainly pre-start and post-start activities include business idea generation and information, finding, recruiting and payment or non-payment of employees.

Immigrant entrepreneurs are known for example, to manage and survive in their businesses because they can rely on low-paid or unpaid (family) labour (*ibid.*). I examine whether Ghanaian entrepreneurs relied on friends in addition to family and other informal ways to find and employ their workers, as well as obtain vital business information. Immigrant entrepreneurs are generally assumed to have limited opportunities to obtain vital business information from formal sources because of a lack of proficiency in the language of the host country. In the last part of this chapter I discuss the embeddedness of the Ghanaian entrepreneurs in transnational networks. Immigrant entrepreneurs are not only embedded in

local networks but in transnational networks as well (see Light 2005: 661). The Ghanaian entrepreneurs' transnational economic activities, namely business investments, supply source and market with Ghana are discussed. I attempt to discover whether these investments are made with the financial proceeds from the Netherlands or from other sources and find out the reasons for these transnational investments.

The following questions, which describe the three main resources of human, financial and social capital that the first-generation Ghanaian immigrant entrepreneurs used to start businesses in the Netherlands, are dealt with in detail in Chapter 5.

What is the composition of the human capital of the first-generation Ghanaian entrepreneurs and their role in the businesses they have set up in the Netherlands?

To what extent did Ghanaian immigrant entrepreneurs' embeddedness in social networks enable them to obtain both financial and non-financial resources to start their businesses? In other words, how have they used the ensued social capital to their benefit in terms of business financing, acquiring business information, recruiting employees and in advancing their transnational business and investments?

Chapter 5 briefly compares the human capital and social capital developments of first-generation Ghanaian entrepreneurs with first-generation Moroccan and Turkish entrepreneurs in the Netherlands. As regards human capital, references are made to the levels of educational qualifications, pre-migration business experiences, the Dutch language proficiency and computer literacy skills. Human capital development is crucially important because the mixed embeddedness framework on which this research is built postulates that the sector in which an immigrant sets up a business is to some extent determined by the level of his or her human capital development, especially the individual's educational qualification considering all other factors to be constant. This is not just because access to certain business is regulated by law and requires particular qualifications, but also because it enables (immigrant) entrepreneurs to understand effectively the institutional environment in which they are embedded since this environment influences the entrepreneurs' values, perception and exploitation of opportunities, practical management strategies and ultimately business success.

With respect to social capital I make references to the sources which both first-generation Ghanaian entrepreneurs and their 'guest' worker counterparts utilised to acquire both financial and non-financial resources to start their businesses.

Finally, the transnational embeddedness of first-generation Ghanaian entrepreneurs is examined. The section on transnational embeddedness starts with an introduction to transnationalism. I also discuss factors which have presently made transnational activities a lot easier and more developed than a few years ago. This section further describes the Ghanaian entrepreneurs who are transnationally involved and explains the need and importance of their engagements with Ghana. The various transnational economic activities of these entrepreneurs with Ghana which include business and other commercial investments,

sources of supply for their business products and also as the market for the Ghanaian export businesses in the Netherlands are looked at.

Chapter 6 focuses more on the post-migration of first-generation Ghanaian entrepreneurs. The chapter considers the three resources namely the human, financial and social capital in the post-migration era. I expect that with several years of residence in the Netherlands, these respondents have become quite proficient in the Dutch language, they have been able to acquire much knowledge and experiences with the Dutch business environment, hence their resources been able to identify openings in the Dutch opportunity structure to set up their own businesses. In addition, I expect that they have been able to accumulate enough financial capital and non- financial resources through an expanded social networks base beyond the Ghanaian community. With this forgoing information, first-generation Ghanaian immigrants are able to start their own businesses in the Netherlands and possibly different kinds of business based on the level of resources possession and acquisition.

The chapter classifies the businesses of the respondents under the three sectors namely; retail and wholesale, catering and hospitality, personal services and producer services. These three sectors will be looked at in terms of the typology of the opportunity structure developed by Kloosterman (see 2010) in the Mixed Embeddedness model namely; the vacancy-chain openings, post-industrial/low-skilled quadrant and post-industrial/high-skilled quadrant. These sectors, following Scott (2008, 2012 and Kloosterman et al. forthcoming), are renamed low-skilled stagnating activities, servile activities and cognitive-cultural activities respectively.

In Chapter 6, I match their motivation to become self-employed with the type of opportunity they identified and took to start their businesses. After that an attempt is made to match their post-migration human capital with the businesses these respondents set up. The assumption in the model is that the respondents with low human capital are more likely to start businesses in the vacancy-chain openings and the opposite assumption holds for those who have high human capital.

In Chapter 6, four hypotheses which were formulated in Chapter 2 are verified to find out if the human capital, financial capital and social capital that Ghanaian entrepreneurs possess have enabled them to set up businesses in the low-value and high-value post-industrial activities based on expansion and growth as opposed to the vacancy-chain openings. In other words, the chapter looks at the extent to which the first-generation Ghanaian entrepreneurs have been able to use their set of resources to move towards more promising opportunities in the post-industrial low and high segments of the mixed embeddedness concept.

These post-industrial segments are created by the post-industrial activities made possible by the globalisation of production, fragmented consumer markets, shifts to more flexible ways of production, and other processes relating to global economic restructuring which have led to the emergence of new

possibilities in manufacturing, consumer, and producer services (Van Delft et al. 1998, 2000; Kloosterman 2003b; Kloosterman et al. 2007). The garment industry is a typical example from the manufacturing sector and is controlled by immigrants globally (see Rath 2002). Now there is also a demand for childcare and housecleaning and these are personal services that immigrants can provide private households (see Kloosterman 2000:96). Mail delivery, catering and dog-walking services are also business activities that immigrants with inadequate personal resources can start in the post-industrial trajectory (ibid.)

Although these trends have transformed Western countries into post-industrial societies, the opportunity structure is unlikely to be the same in every country. The opportunity structure includes the state of technology, the costs of production factors, the nature of consumer demands, and other aspects of the economic environment as well as the institutional context. Different institutional frameworks create different post-industrial self-employment trajectories and hence different opportunity structures, for both native and immigrant entrepreneurs (Rath and Kloosterman 2002b) The 'post-industrial trajectory' is assumed to produce a new class of immigrant entrepreneurs whose businesses depend on ties with native institutions and who cater to a general clientele (see Kloosterman 2003b: 315). Immigrant entrepreneurs and their businesses are usually embedded in strong co-ethnic relations and social networks. However this new form of immigrant entrepreneurship (see Kloosterman et al. 2007) generally is embedded in a more heterogeneous set of relations.

The final part of Chapter 6 examines whether any changes in their resources and the openings in the opportunity structure which some of the entrepreneurs have exploited to set up their businesses have made them successful. In this context, business success was looked at in terms of business survival (see Rusinovic 2006; see Jacobs 2012; Schutjens 2013) to overcome definitional problems. According to Carroll (1984:75), nearly half of new businesses disappear, go bankrupt, are taken over, or stop for another reason within five years, despite immigrants being more inclined than the natives to start their own businesses (OECD 2010; Kourtit and Nijkamp 2012). In addition, businesses run by immigrants in the Netherlands have an even lower chance of survival (see EIM 2004). The survival, and for that matter, success of first-generation Ghanaian businesses is assessed using logistic (binary) regression to show the impact of key variables on the likelihood that business still exist in a specific year of its establishment, in this case, in 2014. These variables include age, year of arrival in the Netherlands, formal education, motivation to start business, Dutch language proficiency and embeddedness in social networks. The chapter also discusses businesses which were unable to survive in that year and attempts to discuss the causes/factors for their closure. Chapter 6 ends with an analysis.

Chapter 7 concludes the dissertation by discussing these findings on first-generation Ghanaian entrepreneurs by presenting a brief summary of time and process of migration, the position of the

Netherlands in their migration, their personal characteristics and pre-migration resources and cities of residence in the Netherlands. The chapter also includes a summary of the post-migration resources which helped them establish in different openings of the Dutch opportunity structure. Finally, I briefly compare and contrast the ‘traditional’ groups of immigrant entrepreneurs especially the first-generation Turks and Moroccan entrepreneurs with first-generation Ghanaian immigrant entrepreneurs in terms of time, purpose of migration as well as the process of incorporation in the Netherlands and the resources each group possesses to ascertain whether not different trajectories of entrepreneurship were pursued given the opportunity structures and institutional frameworks. The choice of Turks and Moroccans rather than other immigrants such as the Chinese, Surinamese, Antilleans and Indonesians is briefly explained in the assumptions in Chapter 2 under section 2.6 and also briefly mentioned in this concluding chapter.

1.8 Methodology and Research Description

The aim of my dissertation project is to present a systematic description of the characteristics and resources of first-generation Ghanaian immigrant entrepreneurs in the Netherlands and also to analyse their businesses and the sectors in which these businesses are inserted. This sector analysis enables me to assess how their characteristics and resources impacted on the kinds of business they set up. My dissertation further takes into account the concept of mixed embeddedness (which is explained in detail in Chapter 2, as developed by Kloosterman et al. (1999)). This approach matches opportunity structures with the resources of immigrant entrepreneurs within the institutional framework of the Netherlands.

A qualitative methodology is used to address the research questions and to map and explain the processes of matching between resources and opportunities and their relationships. The research project is based on interviews with eighty-four first-generation Ghanaian entrepreneurs. The entrepreneurs were interviewed between 2005 and 2012. Initially I interviewed businesses that were established before and till 2006. In 2010, the research was re-started and, from 2010 onwards, first-generation Ghanaian entrepreneurs who started their businesses were between 2007 and 2012.

In both instances the questionnaire and letter of introduction were personally handed over to the entrepreneurs. Some of the businesses I interviewed in 2006 were visited as a follow-up in 2011 to find out if there had been some important changes in the business activities, business size, business location or otherwise. What is more, in 2013 I revisited most of the businesses I interviewed to find out if they are still in business or not and also to familiarise myself with their performance in the midst of the recession. As a result the fieldwork covers a period of seven years. The advantage of this longitudinal aspect is that it gave me the opportunity to examine whether the tendency of the Ghanaian business to close down came to be true over the years.

The interviews were mainly conducted in the cities of Amsterdam, The Hague, Rotterdam and in a few other smaller cities in the Randstad area (Haarlem and Heemstede). It was quite difficult to obtain relevant information from the Chambers of Commerce in the cities of Amsterdam, The Hague, and Rotterdam since it was impossible to identify business information on specific groups of immigrants in their databases. To confirm the formal registration of the eighty-four businesses I visited the various Chambers of Commerce to examine whether the businesses were officially registered.

As the Chambers of Commerce could not help me find respondents, I obtained information about Ghanaian entrepreneurs and the location of their businesses mostly with the help of RECOGIN and Sikaman, Ghanaian immigrant associations in Amsterdam, Ghanatta in The Hague and Ghanirrom in Rotterdam. In addition, information about some of these businesses was gathered through a friend in Amsterdam and another in Rotterdam. I used the information these friends provided me because they have lived in the respective cities for more than 20 years and are both active members of RECOGIN and Ghanirrom respectively. Furthermore, I identified most of the first-generation Ghanaian immigrant entrepreneurs in The Hague myself because I personally know a handful of the entrepreneurs and their businesses.

After locating the businesses in the various cities, I called to make appointments with the entrepreneurs. An appointment date was planned with each entrepreneur for a face-to-face interview at their business location. All but two of the interviews were conducted at the business premises. Those two interviews were conducted via Internet mailing. All the interviews were conducted primarily in English language or, where necessary, Ghanaian 'Twi'. The interviews were based on a semi-structured questionnaire with more than 165 questions. On average, the interviews took between one-half and two hours. The interview with the entrepreneurs was in-depth and probing. Given that the aim was to establish the entrepreneurship motives, the intensive research method was applied (see Rusinovic 2006). Their various comments and answers which could not be written directly on the questionnaire were entered into a notebook. References were made to the dates, names and cities of the respondents to avoid any misidentification. The interviews included questions about the year of migration to the Netherlands, former work experience, level of education, motivation for starting a business, sectors, initial start-up capital, sources of capital, support from the state organizations, problems and transnational activities. I also took pictures of some business premises as well as pictures of some of the respondents. A small selection of these is included in this book.

Classification of businesses into types of activities

The information about the names of the entrepreneurs and their businesses activities enabled me to draw up an initial classification of the businesses into three different services (sectors), namely retail, personal

and producer services. Some of the businesses were retailers of food and exotic products, African music and movie dvds and I grouped in the retail sector. Those businesses involved in personal services included barber shops, hairdressing salons, crèches, and money transfer services, cleaning agencies, and employment agencies and businesses in the producer services category were shipping agencies, financial services and computer-related services.

Data analysis

Statistical Package for the Social Sciences software (acronym SPSS) was used to store and analyse the data obtained from the 165 questions in the questionnaire which pertained to different variables such as personal characteristics, entrepreneur's resources, economic environment and institutional involvement and support. The SPSS program helps to establish whether any relationship exists between selected variables. First of all the key variables in the questionnaire, such as age, nationality, business experience, formal education, Dutch language proficiency, start-up capital, profit margins were stored in the SPSS program. For the sake of confidentiality and privacy of information, special codes were given instead of the names of the respondents.

Second, I used these key variables to cross-tabulate with the three business sectors of retail, personal and producer sectors. Third, I also examined whether any correlation of significance exists between these variables and the business sectors. This enabled me to ascertain whether those variables played a critical role for these entrepreneurs to insert their businesses in the different sectors. In addition, comments and quotations which were made during the interviews were used as quotes to clarify the intent and purpose of the respondents as regards becoming self-employed and these were also used as introductory cases to some of the chapters. Consequently, the information obtained during the interviews enabled me to gain an in-depth understanding of their socio-economic lives in both pre-migration and post-migration periods and this helped during the qualitative analysis of the entrepreneurs and their businesses.

Description of the research population

More than 90 per cent of the eighty-four respondents migrated to the Netherlands between 1980 and 2000. Most of them (roughly 54 per cent) migrated between 1980 and 1990. That period coincided with the years during which a significant number of Ghanaians fled their country due to the repatriation of about a million Ghanaians from Nigeria and neighbouring countries, a severe drought and famine, and a military junta which was guilty of political repression, the persecution of civilians and also poor management of the country's economy. After arriving in the Netherlands, where the economy had started to recover from the deep recession of the 1980s, many of the new arrivals paid for family members in Ghana to join them. Some of these respondents came for family re-unification/or family formation or

migrated due to being attracted by the economic prosperity of the Netherlands. Almost all the eighty-four respondents essentially migrated to the Netherlands for economic reasons. With respect to gender, more than 60 per cent were male and the rest female. The average age of the first-generation Ghanaian entrepreneurs was 44.5 in 2012 while the age distribution of the research population was as follows: 9 were aged between 30-39, 22 respondents were aged between 40-49 years, 48 respondents were aged between 50-59 and only 5 were aged between 60 and 69 (see Chapter 4 for more details on the personal characteristics of the entrepreneurs).