Immigrant self-employment and transnational practices: the case of Moroccan entrepreneurs in Amsterdam and Milan
Solano, G.

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CHAPTER 2

Background: Globalisation, Transnationalism and Embeddedness

Immigrant entrepreneurial activities, in particular those extending across national borders, entail several phenomena, processes and concepts. There are two main social scientific fields connected with this topic: migrant transnationalism and immigrant entrepreneurship.

Regarding the former, firstly, it is necessary to underline the changes that have led to a partial redefinition of certain global processes (Section 2.1) and led some scholars to adopt a transnational approach to the study of migration (Section 2.2). Secondly, migrant transnationalism is strictly connected to embeddedness in different contexts and groups (Section 2.3).

I then introduce the field of immigrant entrepreneurship, with particular emphasis on transnational entrepreneurship (Section 2.4). Following this, I illustrate the main approaches to the theme (2.5), and propose a model to better understand it (Section 2.6). Based on this model and starting from the main research questions illustrated in the introduction (see Chapter 1), Section 2.7 introduces specific research sub-questions. Section 2.8 concludes the chapter.

2.1 Globalisation, international migrations and the role of the State

Over the last twenty to thirty years, some processes have changed the world and people’s perception of it. These processes have been condensed in the concept of globalisation, which refers both to “the compression of the world and the intensification of consciousness of the world as a whole” (Robertson 1992, p. 8), and therefore to the progressive growth of relations and exchanges in the world, in various fields (e.g. economic, cultural, medial, etc.), as well as the resulting loss of ‘borders’ in everyday actions (Beck, 2000).

One of the most relevant changes was the development and implementation of existing communication technologies (Castells, 1996). The expansion of the Internet and the widespread use of new, faster and cheaper ways to communicate (e-mail, Skype, social networks such as Face-
book and Twitter, etc.) have allowed people to easily maintain relationships with, and have information about, people and events in far places. In addition, increased possibilities for travel on a large scale and at a relatively low cost (Elliot & Urry, 2010) - e.g. through low-cost airlines, such as Ryanair - have allowed for greater possibility to maintain contacts irrespective of distance.

Although many people continue not to be very mobile, they have more possibilities of ‘staying in touch’ with other people abroad or far away (Gustafson 2009; Mau, 2010; Andreotti et al., 2014). In this regard, Robertson (1992) speaks of ‘spatial compression’, while Giddens (1990) uses the term ‘spatial stretching’ to mean expansion in terms of individual spatial references. Social relations have been changing, and there has been a disembedding, or breakdown, of social relations at the community level, followed by a reorganization of these (re-embedding) into a wider range Giddens (1990). Indeed, individuals concretely experience these new opportunities in their everyday life, and their spatial references have vastly expanded (Mau et al., 2008). They take into consideration not only the local and national contexts where they operate, but also other contexts and possibilities outside national borders.

From an economics point of view, globalisation consists of four main processes:

- The internationalisation of worker circulation: an increasing number of people (both with high and low-level skills) move to other countries to work (see below);
- The internationalisation of goods circulation and provision of services: goods travel around the world and products from all over the world are easily available;
- The internationalisation of financial markets: financial markets are becoming increasingly connected and interdependent, while capital flows often cross State borders;
- The development of multinational companies with branches and offices in different countries: firms are able to outsource production where the labour force is cheaper, and decide where to locate their headquarters so as to take advantage of the most favourable tax conditions.

Furthermore, the role of the State has been extensively redefined due to increasing flows of people, capital, information and images that transcend State borders (Appadurai, 1996; Castells 1996). Global processes have had a challenging effect on the old hierarchies of scale centred on the Nation-State (Sassen, 2007). This does not imply the disappearance of the old hierarchies, but rather the emergence of new ones that coexist with the old ones, albeit with a possible decrease of the latter in favour of the former. Thus, the new world system of power is characterised by a multiplicity of authorities, of which the State is currently only one among many. States are becoming nodes of a wider network of power (Castells, 1996), and power is increasingly more widespread and shared among multiple sources (States, regions, cities, etc.). The State also has to deal with a variety of power sources not legally recognized, such as cross-border networks of capital, criminal organisations, and non-governmental organisations.

These new global processes have partially changed and undermined the idea of the State as
it had developed during the eighteen century, and consequently the State-Nation-Society triad, with the State exercising sovereignty over both the geographical and the social space under its jurisdiction (Pries, 2001; Le Galès, 2002; Brenner, 2004; Keating, 2013; Le Galès & Vezinat, 2014).

State sovereignty is being challenged both from above and below. From below, there is an increasing importance of local and micro-organisations (regions, cities, etc.), whereby States seem too big to handle some problems at a local scale. At the same time, States are no longer able to tackle global challenges (such as controlling economic processes, environmental policies, etc.), which means that their power is questioned from above by the development of supra-territorial organisations such as the European Union, North Atlantic Treaty Organization (NATO), the World Trade Organization (WTO), and the International Monetary Fund (IMF). In general, States are delegating some of their power and authority to other organisations, both local and international.

However, the State retains a certain degree of relevance when it comes to certain policies at the national scale, such as business aid, the ability to attract foreign capital, and especially immigration, where national policies still play a key role. Even though national borders are far from impermeable, States try to implement numerous strategies to regulate migration flows, for example by stiffening acceptance criteria for immigrants. In addition, States continue to exercise their coercive power within their borders.

Regarding people’s movements, contemporary society is characterised by an increasing number of people migrating to different locations, and in particular out of their country of origin. The most recent estimates by the United Nations (2013) indicate that there are 232 million international migrants. Although these represent only about 3% of the world population, this number has constantly increased over the last ten years and this phenomenon has had a strong impact on the majority of the population. Migrations are not just an individual phenomenon, they are a collective one. Indeed, this phenomenon affects not only the migrants themselves, but also society as a whole (or, more precisely, societies: those of origin and those of destination) (Sayad, 1999). As stated by Castles and colleagues (2013), migration is the key force of globalisation, in strict connection with other global processes that contribute to reshaping contemporary society. Migrants are part of the above-mentioned processes of local, national, and global rescaling (Glick Schiller et al., 2006).

In this regard, despite the fact that in the first half of the 1900s migrations were already an important feature of the world, in the second half of the century some new elements appeared (Castles et al., 2013). A first element of novelty is that contemporary migrations have become a global phenomenon, as they involve, albeit with different intensity and extent, the majority of countries on the planet (Smith & Guarnizo, 2009; Castles et al., 2013). Secondly, this expansion and acceleration is also accompanied by a diversification of migration flows, from the point of view of motivations, legal status, gender (with an increasing feminization
of migration), and geographic origin. Finally, there is a growing politicisation of the phenomenon. Even though migrations partially escape State control, the phenomenon has massively entered the political agenda as a subject of attention and strong regulation.

These changes challenge the role of States (especially in terms of sovereignty), and consequently the idea of Nation-State (Smith & Guarnizo, 2009). An analysis of how international migrations redefine the role of States and how they ‘react’ to the challenges these pose makes these points clear. The politicisation of the issue and the fact that States stress migration and security policies show how deeply they are ‘shocked’ by the phenomenon.

In particular, the large-scale diffusion of international migrations and cross-border practices challenges the notions of Nation and Nationality. The idea of the Nation-State is founded on the concepts of belonging and, consequently, citizenship, as well as on a combination of cultural and political identity (Castles & Davidson, 2000). By contrast, contemporary migrations have led to the breakdown of this link, putting into question the identities of both States (in terms of homogeneity) and migrants (see Section 2.2).

Due to these changes, the concept of citizenship has been redefined. International migrations raise the issue of integrating newcomers from a political point of view. Since the Nation-State is based on single membership, the problem is how to deal with people who already belong to another country. The path chosen by the States has been to grant, after a number of years, a status of either semi-citizenship (permanent residence permit) or full citizenship. In some countries, foreign residents can vote in local elections, and they have been recognised a certain degree of affiliation (if only at a local scale). Finally, albeit with some opposition, many countries now accept dual citizenship (or dual nationality), and thus implicitly recognise the possibility of dual membership (Bauböck, 2003; Barkan, 2004; Faist et al., 2004).

2.2 Migrant transnationalism

In this context of increased mobility and communication, migration paths have changed as well. The action of migrating is less definitive than it was in the past, and migrants can more easily maintain contact with their home country without compromising their life in the host society (Portes et al., 2002; Itzigsohn & Saucido, 2002; Snel et al., 2006). Moreover, migrants can now develop migration trajectories that unfold across different countries, beyond the traditional dichotomy between home and host country, and they can even develop forms of (semi-) commuting to exploit the fact that they are able to connect two or more different contexts (Petrillo, 2011).

In order to account for this new reality, in opposition to so-called methodological nationalism (see: Wimmer & Glick Schiller, 2003; Beck & Beck-Gernsheim, 2009), i.e. the analytical approach that is based on the Nation-State, since the 1990s some scholars have proposed a transnational approach to the study of migration (Glick Schiller et al., 1992; Basch et al., 1994).
The term transnationalism\(^1\) refers to “the process by which immigrants forge and sustain multi-stranded social relations that link together their societies of origins and settlement. We call these processes transnationalism to emphasize the fact that many immigrants today build social fields that cross geographic, cultural and political borders” (Basch \textit{et al.}, 1994, p. 7). Hence, although migrants\(^2\) may be integrated in their country of destination, they continue (in various ways and degrees) to participate in the life of their country of origin. For example, some studies (Guarnizo \textit{et al.}, 2003; Snel \textit{et al.}, 2006; Vacca, 2013) underline the idea that migrants who are better integrated in the country of destination are not among those who develop fewer transnational practices and connections.

Therefore, migrants maintain links with their country of origin as well as with relatives and co-nationals located in other countries (Levitt & Jaworsky, 2007). The notion of transnationalism involves a complex of cross-border social ties between persons in different places (Molina \textit{et al.}, 2015). These ties influence migrants’ lives and allow them to be embedded in more than one society. Early scholars of transnational migration called this complex of social relations the ‘transnational social field’, whereby migrants “live within a ‘transnational social field’ that includes the State from which they originated and the one in which they settled. A social field can be defined as “an unbounded terrain of interlocking egocentric networks” (Glick Schiller & Fouron, 1999, p. 344). In other words, a transnational social field is a combination of intertwined social networks (a network of networks) that cross States’ borders (Glick Schiller & Levitt, 2006). Finally, migrants also develop multiple and multisite forms of belonging that cut across national borders (Ehrkamp, 2005; Webner, 2012).

Of course, transnationalism is not a completely new phenomenon; there have been other cases of transnational activities in the past, and people maintained social relationships with persons located at a great distance, but these were less common and not as easy as they are now. Despite this, the phenomenon has now reached a level of ‘critical mass’ (Smith & Guarnizo, 1998; Pries, 2001; Portes, 2003). The technological turn has created the conditions for a radical change in migrants’ patterns of behaviour and a large-scale development of transnational behaviours (Vertovec, 2004). In this regard, even though there is an increasing number of people who “live dual lives: speaking two languages, having homes in two countries, and making a living through continuous regular contact across national borders” (Portes \textit{et al.}, 1999, p. 217-218), not all migrants are involved in transnational practices (and not in all social-life spheres).

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\(^1\) For an analysis of the evolution and the debate pertaining to this concept and approach, see: Kivisto, 2001; Waldinger, \& Fitzgerald, 2004; Glick Schiller \& Levitt, 2006.

\(^2\) I focus here on migrant transnationalism, which can be considered a grassroots phenomenon (Portes, 2003), connected with individuals’ actions and sense of belonging. In this regard, it is possible to distinguish between transnationalism from above - composed by multinational companies, States, élites, etc., and that from below, which refers to individuals or informal groups, such as migrants (Smith \& Guarnizo, 1998; Mau, 2010). In other words, the distinction is between “transnational activities initiated and conducted by powerful institutional actors, such as multinational corporations and States, and those that are the result of grass-roots initiatives by immigrants and their home country counterparts. These have been respectively dubbed transnationalism ‘from above’ and ‘from below’” (Portes \textit{et al.} 1999, p. 221).
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Transnationalism has different degrees of intensity; transnational practices can be developed in a constant, periodic, or occasional way - and may involve different areas (economic, political, or social). Therefore, the term transnationalism refers to partially different phenomena, both in terms of intensity and scope.

It is possible to distinguish three spheres of transnational activities (see for example: Portes et al., 1999, Levitt, 2001):

- The economic sphere: this refers to the economic activities carried out by migrants in connection with their country of origin and/or other foreign countries, mobilising resources and contacts from different contexts. Examples of economic transnationalism are: remittances; cross-border businesses.

- The political sphere: this refers to migrants' political participation in relation (mainly) with their country of origin (e.g. associations linked to political parties in their country of origin, or voting in elections in their country). As stated by Østergaard-Nielsen (2003), the political realm includes “various forms of direct cross-border participation in the politics of their country of origin by both migrants and refugees […], as well as their indirect participation via the political institutions of the host country” (p.762). Regarding political participation in the country of destination, this often takes the form of mobilisation for better access to services, demonstrations against discrimination and so on.

- The socio-relational sphere: this refers to maintaining social ties with people abroad (who live in the country of origin or in other countries) and participating in initiatives usually connected to the country of origin (e.g. sports and music events).

In addition, Itzigsohn and colleagues (1999) distinguish between transnational practices in a strict sense (narrow transnationalism) and in a broad sense (broad transnationalism). These two types of transnationalism represent opposite poles in a continuum of different transnational practices. These two poles can be distinguished according to their degree of: (1) institutionalisation; (2) individual involvement; (3) physical mobility (Itzigsohn et al., 1999). Thus, a migrant might be deeply involved in a certain transnational economic activity and, at the same time, also experiment weak forms of transnational practices in another sphere. For example, from an economic point of view, remittances are a case of broad transnational practices, whereas cross-border businesses owned by migrants are an example of narrow transnationalism. As for the political sphere, voting in an election in their own country is attributable to a broader definition of transnationalism, while being involved in political associations in the country of origin is a good example of a more restricted definition.

In similar fashion, Guarnizo (2000) distinguishes between core and expanded transnationalism, namely between high-intensity and low-intensity transnational activities. The first refers to the case of migrants who are regularly involved in transnational activities, where these are a central and integral part of their lives. The second refers to people who participate
in transnational activities only occasionally, on specific occasions or for particular events such as elections or emergencies.

In this respect, Levitt (2001) distinguishes comprehensive versus selective transnationalism. A migrant may be involved in transnational activities in a single particular area (selective transnationalism), or he/she may be transnationally active in multiple spheres (comprehensive transnationalism). A person may develop forms of core transnationalism in one field, and forms of expanded transnationalism in another. An example of comprehensive core transnationalism is the case of a transnational entrepreneur who is also involved in political activities in his country of origin. By contrast, a transnational entrepreneur whose contacts with the country of origin are almost exclusively related to working reasons would be a good example of selective core transnationalism. A migrant may be said to be involved in selective expanded transnationalism if he/she occasionally participates in activities in one sphere (such as, for example, sending money to members of the family who have remained in the country of origin), and involved in comprehensive expanded transnationalism if he/she carries out occasional cross-border activities in more than one area.

Apart from concrete actions in different social spheres, the concept of transnationalism refers to the fact that migrants act according to multiple frames of reference (Reese, 2001; Pries, 2001; Louie, 2006). Indeed, migrants’ lives and actions are influenced not only by their context of arrival, but they are also strongly affected by their context of origin (or by other contexts). Even though migrants are based in a context of destination, in everyday life they act in reference to different places and groups (Ehrkamp & Leitner, 2003), for example their co-nationals, their country of origin, neighbourhoods in their city of destination. Values, norms, habits and their possible consequences on these contexts are taken into consideration in migrants’ decisions and actions.

In this regard, Rouse (1992) introduced, and, later, Vertovec (2004) developed the concept of bifocality to explain that migrant membership and everyday practices now take place in two contexts. The concept of bifocality refers to a dual orientation, namely the fact that their lives and actions are influenced both by their context of arrival (country of destination) and their context of origin (country of origin). Migrants remain deeply linked to their country of origin and maintain a strong sense of connection and closeness to places and people there. At the same time, they develop similar feelings in reference to places and people in the country of destination. The two contexts (with their sets of norms, rules, habits, etc.) merge together and become part of a unique area of experience influencing their actions and decisions. Migrants show an aptitude to adopt patterns of behaviour and consumption from both their country of origin and their country of destination (see for example Salih, 2001).

The discourse on frames of reference and bifocality is strictly connected with migrants’ sense of belonging, since this is also affected by the new migration paths. Transnational practices tend to redefine traditional inclusion paths; nowadays migrants tend to develop forms of belonging
that cut through fixed, monolithic categories (Dwyer, 2000). This new sense of belonging takes a multi-level form: migrants establish affiliations with different places (e.g. country of destination/country of origin) at different spatial scales (national or local) and with different groups. Thus, the process of identity development among transnational migrants should be understood as “emerging embedding and disembedding in different social spaces” (Pries, 2001, p. 20).

Transnationalism implies the recognition of migrants as agents who are able to forge their own identities and sense of belonging, beyond the classical dichotomy between ‘assimilated’ and ‘unassimilated’. Specifically, identification with the country of origin remains both strong and visible, and it plays a key role in migrants’ identity (Faist, 1998; Ehrkamp & Leitner, 2003; Ehrkamp, 2005; Waldinger, 2008; Ho, 2009). However, this transcends the mere identification with the country of origin and it usually also extends to the context of destination. In particular, migrants tend to develop forms of attachment which are often local, at the neighbourhood and/or city scale in their country of destination. This attachment develops as a daily process in which migrants themselves contribute to changing the urban landscape in which they operate and feel attached to. The fact of belonging to their place of settlement is reflected in the practices of active citizenship, such as demonstrations (against discrimination, to claim certain rights) and participation in local associations.

Furthermore, migrants feel they belong, and they tend to identify with different groups which are not necessarily related only to their national origin (Ehrkamp & Leitner, 2006; Leitner & Ehrkamp, 2006), e.g. other immigrants, natives, etc. On other occasions, they develop a feeling of social distance from the group of their co-nationals in the country of migration (see for example: Anthias, & Cederberg, 2009; Garapich, 2012).

2.2.1 Grounding transnationalism

The literature on transnationalism (see, for example Landolt et al., 1999, Smith & Guarnizo, 1998; Smith, 2005) has underlined that transnationalism is not a de-territorialised phenomenon independent from the context in which migrants’ actions develop. Smith and Guarnizo (1998) stressed the need to give a ‘geographical location’ to transnationalism. Transnationalism is a place-based, but not place-bound, phenomenon (McKay 2006; Brickell & Datta, 2011); it takes place in concrete spaces which are not gated, where separate realities interact with one another, and global processes reflect these various contexts (Massey, 1994; Cresswell, 2004). Transnationalism is a multi-scalar phenomenon which ‘rests on’ a series of geographic spaces located at different spatial scales (basically: neighbourhood, city, region, and nation). Transnational practices are inserted in specific local and mutually interconnected realities (Gielis, 2009). Therefore, the context in which transnationalism takes place transcends local boundaries (which are becoming porous) and becomes trans-local (Smith, 1998; Levitt et al., 2003). There is a re-definition of the “boundaries of the local in an effort to capture the increasingly complicated nature of spatial processes and identities, yet this redefinition insists on viewing such processes and identities as place-based rather than exclusively mobile,
uprooted or travelling” (Oakes & Schein, 2006, p. 20) This means that local embeddedness is strictly connected to external links with other (local) places.

The importance of different places in migrant transnationalism is connected to the fact that the migrants’ actions are conditioned by the contexts where these actions take place (Al-Ali & Koser, 2002; Dahinden, 2005 and 2009). The intensity and the forms of transnational practices carried out by migrants are shaped by the structure of the places in which migrants are inserted: “[transnational] practices [...] are influenced by the particular multi-level institutional environment which migrant actors negotiate their way through” (Østergaard-Nielsen, 2003, p. 760).

In general, both contexts impact on transnational practices. For example, from the point of view of the environment of origin, coming from situations of generalised violence does not facilitate the maintenance of transnational relations (Portes et al., 2002). By contrast, departing from a more peaceful and concentrated context (for example, a small town) might well be a facilitating factor (see for example: Landolt et al., 1999; Landolt, 2001). The context of destination and the ways in which migrants are integrated affect their propensity to develop transnational practices. Migrants from scattered and modestly concentrated groups (spatially speaking) or groups that are less discriminated against are usually less involved in transnational behaviours compared to those who suffer discrimination and/or who are part of more spatially concentrated groups (Portes, 2003).

In conclusion, migrants are affected by the economic and political situations, and the institutional settings at a local, regional, national, and supra-national scale (agreements between states, EU policies). In addition to States, which retain a power of control with regard to the legal status of immigrants (see Section 2.1), it appears that policies at a local scale also play an important role. As underlined by Bauböck (2003), regional and city policies might seem to be nothing more than State policies in a smaller scale. However, they are very different in content from those of the State, as they are often more inclusive3 (Penninx et al., 2004).

2.3 Transnationalism, multifocality and embeddedness

Starting from the concept of bifocality, which emphasises that migrants have dual perspectives (country of origin/country of destination), I now propose the concept of multifocality4. In fact, migrants are not only linked with and involved in two places, but rather their views (and sense of belonging) become multiple and multi-sited (Ehrkamp, 2005). Even though migrants live in their country of destination, in everyday life they act in reference to different places and groups (Ehrkamp & Leitner, 2003), e.g. their co-nationals, their country of origin, specific neighbourhoods in their city of destination, etc.

The concept of multifocality, as that of bifocality, does not concern concrete actions, but rather several frames of reference affecting migrants’ behaviours. These frames of reference are concretely represented by places (e.g. city of destination) and groups (e.g. natives).

Firstly, multifocality refers to links with different places, since they might be involved in

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3 Actually, in recent years, there have also been cases of discrimination policies at a local scale (Ambrosini, 2013).
4 The word was previously been used by Faist (2000) in his seminal book on international migrations and transnational social spaces. However, he used the word once and he never developed it as a concept.
various activities in their country of origin, their country of destination, and possibly other countries as well. These connections may apply to different spatial scales: national, regional, municipal, and local neighbourhood. In fact, migrants can be linked to several countries at different levels. Ehrkamp (2005), for example, shows that Turkish migrants in Germany develop feelings of engagement with their host society at a local scale (mainly, the neighbourhood level) without this affecting their attachment to their home society.

Secondly, the concept refers to links with different groups. As regards migrants, four main groups must be taken into account: the family (immediate and extended relatives), co-nationals, natives (of the country of destination), and people of other nationalities (from all over the world). Indeed, groups are a powerful vehicle for the diffusion of norms, customs and traditions that migrants take into account.

In short, a connection to different places and groups, and the interplay between these, provides migrants with a set of norms, values and customs which may influence their behaviour and activities. As such, the concept of multifocality refers to simultaneous links with multiple places and groups. Concretely, multifocality means that migrants take into account multiple places and groups for their actions.

The concept of multifocality is strictly connected with that of embeddedness, i.e. being embedded in, and referring to, different places and groups that are strictly associated (in daily life and, in this case, in entrepreneurial activities). The concept of embeddedness starts from the theoretical conviction that economic action is not driven only by individual and economic calculation (Mingione, 2006); on the contrary, it is strongly structured by social contexts such as networks, institutions, norms and values (see Granovetter, 1985; Polanyi, 1957). The concept of embeddedness is the starting point for analysing individual economic behaviours such as immigrant entrepreneurial activities (Mingione & Ghezzi, 2007).

With reference to migrants, Portes (1995) differentiates between relational and structural embeddedness: “the effect of modes of incorporation on individual economic actions can also be interpreted as a form of embeddedness. The limits and possibilities offered by the polity and the societies at large can be interpreted as the structural embeddedness of the process of immigrant settlement; the assistance and constrains offered by the co-ethnic community, mediated through social networks, can defined as instances of relational embeddedness” (p. 25).

In structural embeddedness, limits and possibilities offered by polity refer to government policies for legal entry and permanence of immigrants. The ones offered by society make reference to the kind of reception accorded to immigrants; this could be more ‘positive’ (prejudiced) or ‘negative’ (non-prejudiced). In relational embeddedness, Portes links resources and constrains of co-ethnic community to the number (namely, dimension of the co-national group) and characteristics (in terms of job position, e.g. manual workers, entrepreneurs, professionals) of co-nationals in the country of destination. For example, a community composed by a small number of co-nationals who are manual workers provides with difficulties useful resources to the immigrant.
However, Portes’ definitions do not totally encompass the whole range of elements influencing immigrant practices. Therefore, in some contrast with the definitions given by Portes (1995), I propose a partially different meaning for the two types of embeddedness.

Structural embeddedness refers to both embeddedness in places and groups. In this regard, it is linked to settlement in the (political, economic, etc.) contexts of the places where migrants may operate. For example, a migrant who is strictly involved in a context such as a neighbourhood in the city of destination might be aware of some particular features that may well influence the business. As such, structural embeddedness refers to profound and direct understanding of the features of places and groups.

Relational embeddedness clearly links up with embeddedness in groups. Following Granovetter⁵, relational embeddedness is basically connected to migrants’ social networks, which can be composed of one or more groups. Indeed, the concept does not refer only to links with co-nationals - as Portes stressed -, but also includes contacts with other immigrants, natives, etc. Such contacts can provide entrepreneurs with information and other resources that facilitate their business. Hence, relational embeddedness refers to embeddedness in social networks and, in particular, to ego’s contacts and the relations with and among these contacts.

Therefore, the group ‘dimension’ is linked to both structural and relational embeddedness. In relation to the structural, embeddedness in groups refer to a deep understanding of the characteristics of the groups (as ensembles of persons); in connection to the relational, embeddedness in groups refers to contacts with people belonging to this groups.

### 2.4 Transnationalism and entrepreneurship (transnational entrepreneurship)

One of the most important phenomena in migrant transnationalism is that of entrepreneurial activities carried out in the country of destination with strong links with other countries. The discussion on transnational entrepreneurship has been developed as a cross between the theme of transnationalism and immigrants’ entrepreneurial activities. In particular, the term ‘transnational entrepreneurship’ refers to entrepreneurial initiatives developed by the migrants in the country of destination with business links (with customers and/or suppliers) abroad (Portes et al., 1999; Drori et al., 2009). Therefore, transnational immigrant entrepreneurship involves border-crossing activities. Scholars have underlined that transnational immigrant entrepreneurs (TIEs) base their business on relationships, contacts and exchanges (usually) with the country of origin (Lever-Tracy & Ip, 1996; Portes et al., 1999; Peraldi 2002; Wong & Ng, 2002; Saxenian, 2002; Ley, 2006).

Therefore, entrepreneurs with a transnational business "are individuals that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin, and currently adopted countries and communities. By travelling both physically and virtually, TIEs simultaneously engage in two or more socially embedded environments, allowing

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⁵ Granovetter (1985) underlines the fact that people are “embedded in concrete, ongoing systems of social networks” (p. 487) and stresses “the role of concrete personal relations and structures (or ‘networks’) of such relations” (p. 490) influencing economic actions.
them to maintain critical global relations that enhance their ability to creatively, dynamically, and logistically maximise their resource base. We thus define TIEs as social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities” (Drori et al., 2009, p. 1001).

The phenomenon of immigrant transnational entrepreneurship refers to experiences which are often heterogeneous and connected with different degrees of intensity. There have been two main attempts to define the various types of entrepreneurial transnational activities.

First, Landolt and colleagues (1999) distinguished five types of transnational entrepreneurial activities:

- **Circuit companies**: couriers and, more generally, businesses involving the circulation of tangible and non-tangible goods across the borders of different states (e.g. import/export businesses);
- **Cultural companies**: businesses promoting the national identity of the home country (e.g. companies linked to the production of newspapers, films, television and radio programmes, the organisation of cultural events, etc.);
- **Ethnic companies**: businesses located in neighbourhoods with a high concentration of immigrants (often of the same nationality), employing exclusively co-nationals, and whose clientele is mainly composed by immigrants and ethnic minorities;
- **Return migrant micro-businesses**: companies run by migrants in their home country;
- **Transnational expansion companies**: businesses (e.g. supermarket groups) who view immigrants as part of their natural market.

Second, Ambrosini (2012) defined four types of transnationalism related to self-employment:

- **Circulatory transnationalism**: this refers to activities involving physical movement across borders, with frequent trips between the home-country and the country of destination (examples of these are couriers or immigrants who manage companies connected to each other and usually located in the country of origin and in the State of residence);
- **Connective transnationalism**: this refers to commercial activities that do not presuppose physical movement on the part of the entrepreneur, but which ‘move’ non-tangible goods (e.g. money) or provide communication services (e.g. money transfer companies and phone centres);
- **Commercial transnationalism**: this refers to businesses dealing in products that are bought and sold between different countries. It is not necessary for the entrepreneurs to physically cross borders, and the products are often (but not always) traded with the home country, which means the entrepreneurs have to develop and maintain relationships with people who have remained in their country of origin (e.g. ‘ethnic’ shops);
- **Symbolic transnationalism**: this refers to entrepreneurs who do not import goods,
except in negligible amounts in order to recreate certain environments and moods of their country of origin (e.g. Latin American dancing schools, Turkish baths, etc.). In such cases the transnationalism is prevalently cultural and symbolic.

Combining the two classifications, it is possible to identify three types of transnational immigrant businesses (Figure 2.1): cross-border businesses, intermediary businesses and cultural businesses.

*Cross-border businesses* are those which involve the entrepreneur’s continual and fundamental contacts, and often, but not inevitably, travels abroad. In the majority of these cases the businesses also involve the regular movement of tangible goods. The products sold might be both ‘ethnic’, namely related to the country of origin, and conventional goods. In general, businesses with customers or suppliers located abroad are part of this category. Perfect examples would be international couriers and import/export businesses. Businesses importing goods from abroad and selling them to a local market or, *vice versa*, producing at a local scale and exporting abroad are also cases of this kind of transnational business.

In other cases, cross-border businesses do not imply the movement of tangible goods, but rather the aim of the business is to exploit cross-border relations. A typical example is that of consultancy agencies helping companies (usually from the country of destination) to set up a business abroad (often in the country of origin).

The category of cross-border business is akin to the circuit enterprises of Landolt and colleagues. Those who perform this type of activity carry out actions of circulatory and commercial transnationalism.

*Intermediary businesses* are companies which provide services for immigrants in order to connect them with people and places abroad. In this case, transnationalism is connected to the fact of allowing people (immigrants, but not only) to maintain links with the owner’s country of destination and/or others. However, no movement across borders orcontinuative contacts abroad on the part of the owner are usually involved. Examples of this type are phone centres and money transfer companies.

*Cultural businesses* are ones that contribute to spreading and reproducing the culture and traditions of the home country. They are different from cross-border businesses in that they do not entail continuative contacts abroad. Examples of cultural businesses are: companies organising cultural events, companies producing newspapers for immigrants, and cinemas playing movies from the country of origin. A further example might better clarify the difference between a cultural and a cross-border business. A *hammam* located in Milan and owned by an immigrant is an example of cultural entrepreneurial activity because it reproduces environments and moods of the country of origin, without entailing the import of products from it. This corresponds to Landolt *et al.*’s ‘cultural companies’, and they exemplify forms of symbolic transnationalism.
2.5 Main approaches to immigrant (transnational) entrepreneurship

In previous literature, some models on immigrant entrepreneurship and transnational immigrant entrepreneurship have already been illustrated. In this section the most fruitful (for my research) theoretical and analytical approaches on immigrant entrepreneurship and transnational immigrant entrepreneurship are presented. Then, starting from the approaches illustrated here, Section 2.6 presents a model to better analyse transnational immigrant entrepreneurship.

In general, the phenomenon of immigrant entrepreneurial activities has been analysed by a variety of scholars, which has resulted in concepts and theories about the inclination and decision to choose self-employment. Among these, two types of analyses can be discerned (see: Kwok Bun & Jin Hui, 1995; Ambrosini, 2011): on the one hand those who focus more on the ‘entrepreneur’ and supply aspects of entrepreneurial practices, i.e. immigrants’ motivations for starting a business, the role of personal characteristics, and the entrepreneur’s network; and on the other hand those focusing on aspects related to demand, who analyse economic and market structures, legislative settings, and, more in general, how these influence entrepreneurial activities (see for example: Boissevan, 1992; Engelen, 2001). The majority of past studies have centred on the supply aspect, analysing in detail the determinants of entrepreneurial choice as well as the resources that immigrants rely on when running a business.

Some scholars have tried to combine these two groups of approaches. In particular, two models have attempted to give a more general overview of immigrant entrepreneurial prac-

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6 It is possible to include the following approaches in this group: the culturalist approach (Min, 1987); the middlemen minorities interpretation (Bonacich, 1973; Bonacich & Modell, 1980); the ‘Ethnic Endowe Economy’ model (Wilson & Portes, 1980; Portes & Stepick 1985; Portes & Manning, 1986); the disadvantage theory (Jones & McEvoy, 1986, Logan et al., 1994; Jones & Ram 2003); the blocked mobility theory (Gold, 1992; Light & Gold, 2000; Rajzman & Tienda, 2000); and the ecological succession explanation (Aldrich & Reiss, 1976; Aldrich et al., 1985; Waldinger et al., 1985).
Background: Globalisation, Transnationalism and Embeddedness

The interactive model, introduced by Waldinger and colleagues (Waldinger et al., 1990) explicitly focuses on the interaction between contextual opportunities and conditions on the one hand, and personal and group resources on the other hand (p. 22).

Contextual opportunities and conditions are conceptualised by the opportunity structure which is mainly related to market characteristics. In particular, they distinguish between market conditions and access to business ownership.

Market conditions refer to the demand of the services and products a business provides: "for a business to arise, there must be some demand for the services it offers" (p. 21). In other words, every business needs a market. The authors identify different kinds of market which can be addressed by immigrant businesses, in particular under-served or abandoned markets; ethnic markets; markets affected by instability or uncertainty; markets with low economies of scale. Access to ownership refers to business vacancies and government policies (regarding immigrants’ entry in the country and starting a business): “immigrants’ access to ownership positions largely depends on two factors: (1) the number of vacant business-ownership positions, and the extent to which natives are vying for those slots, and (2) government policies towards immigrants” (p. 28).

As for the characteristics and resources of immigrant groups, Waldinger and colleagues (1990) state that these resources derive from the immigrants’ cultural traditions and co-national social networks. Cultural factors refer to: a particular predisposition of some individuals and groups towards entrepreneurship; individual background; ‘blocked mobility’ as people do not succeed in finding a job in line with their educational background and skills (Light & Bonacich, 1998; Light & Gold, 2000). A key role is also assigned to co-national networks, as resources that can be assessed through these networks. Through such networks immigrants can easily find reliable staff, key information and also financial help (Salaff et al., 2003). In fact, the greater the ability of the co-national group to mobilise resources, the better help the immigrant might receive.

In conclusion, the central point of Waldinger and colleagues’ contribution is that they introduced the concept of ‘opportunity structure’ and highlighted the importance of the interaction between immigrant entrepreneurial elements (such as skills, resources, and social networks) and economic and market possibilities in understanding immigrant entrepreneurial activities.

As the definition of ‘opportunity structure’ was limited, the interactive approach was further developed by Kloosterman and Rath (Kloosterman et al., 1999; Kloosterman & Rath, 2001; Kloosterman, 2010), who proposed the so-called ‘mixed embeddedness’ approach.

As in the interactive model, the key issue is the matching process between immigrants’ skills and resources (the human and social capital) and opportunity structures. For example,
because immigrants often have to contend with a lack of capital and/or inadequate language skills, not everyone is able to innovate and take advantage of the opportunities offered by the markets and, more generally, by the contexts they have connections with.

However, in comparison with the interactive model, the mixed embeddedness approach provides three further advances. First, it uses the concept of embeddedness both in relation to social networks (following Granovetter’s definition) and place-bound institutions (Polanyi, 1957). In fact, the model underlines that entrepreneurial activities are affected by being embedded in the structure (laws, rules, market characteristics, etc.) of the places that the business is connected to; at the same time, entrepreneurs are also embedded in their network. As such, entrepreneurs are dual or twice embedded: that is the meaning of the adjective ‘mixed’ in the ‘mixed embeddedness’ concept.

Second, opportunity structure is conceptualized as existing at multiple scales in the country of destination (Kloosterman & Rath, 2001): national, regional/urban and neighbourhood level. This distinction between scales of the opportunity structure is important since each level has different features and, as such, impacts on entrepreneurship. For example, they can differ regarding certain policies and institutional initiatives. Market structure and opportunities also differ between regions, cities and neighbourhoods.

Third, Kloosterman and colleagues specify the ‘composition’ of the opportunity structure in more detail, as composed mainly of the economic context, and the political and institutional context (as underlined by Schutjens, 2014, see Figure 2.2). The economic context refers to several conditions connected to both overall economic and market conditions, such as the country’s economic phase (e.g. growth or recession), the industrial structure, market concentration and the demand for particular products or services. For example, the general economic crisis of Southern-European countries has restricted the opportunities for immigrant (and native) entrepreneurs to develop a successful and profitable business. The political and institutional context refers to formal acts promulgated by state entities (for instance: central governments, regional and local governments, chambers of commerce, etc.), such as set of laws, rules and policies which can favour or discourage entrepreneurship. For example, low-barriers to enter the butchery trade (namely, no specific requirements such as a diploma) channelled immigrant entrepreneurs in the Netherlands to start a business in this sector (Kloosterman et al., 1999).
To sum up, the interactive and the mixed embeddedness models have highlighted two important elements for analysing immigrant entrepreneurship. Firstly, they have stressed that for an in-depth understanding of immigrant entrepreneurship, it is necessary to address both the context opportunities and the entrepreneurs’ characteristics and contacts. Secondly, they have clarified that these opportunities are influenced by the political, institutional and economic contexts.

The models presented so far were developed in regard to immigrant entrepreneurship. Only one model for specifically understanding transnational immigrant entrepreneurship has been proposed. This is the Chen and Tan’s ‘integrative model’ (Chen & Tan, 2009), which analytically explaining participation and involvement in transnational immigrant entrepreneurship (Figure 2.3). In particular, the integrative model “takes into account factors at the macro, meso-, and micro levels, and articulates the interplay of ‘glocalized’ networks with both local and global connections and TE” (Chen & Tan, 2009, p. 1081).
At the **macro** level, the focus is on the impact of the context of both the country of origin and the country of destination. Chen and Tan mention the following as macro factors: globalisation, the institutional context (of both the country of destination and that of origin), market conditions in the countries of destination and of origin. Furthermore, Chen and Tan particularly call for attention to institutional contexts in terms of government policies. These, in both the country of destination and the country of origin, are very important because they can foster or hinder transnational immigrant entrepreneurship. For example, the authors affirm that through their immigration control policies, ‘receiving’ states affect the numbers, origin and ‘type’ of immigrants (e.g. high-skilled vs. low-skilled). State policies in the country of origin may be equally relevant in that they determine economic agreements and benefits for expatriates. Immigrant entrepreneurs with cross-border entrepreneurial activities are also affected by the economic development of their country of origin.

The **meso** level refers to the social networks that entrepreneurs rely on for their business. In this regard, the key concept of the model is the one of *glocalized networks*, namely networks with both local and global connections. These networks are characterised by local embeddedness and global links. The authors state that the geographic configuration of the network impacts on...
immigrant entrepreneurs with a transnational business. Both face-to-face communications at a local scale and links with people abroad are important for receiving help and information in order to mobilise resources. In particular, “networks, geographically dispersed, are able to carry the flow of information, knowledge, and resources” (Chen & Tan, 2009, p. 1083).

At the micro level, the focus is on individual forms of capital mobilised by transnational immigrant entrepreneurs (the human capital). In particular, the authors emphasise the need to analyse the immigrants’ general socio-demographic characteristics, skills, cultural capital and previous work experience.

To sum up, Chen and Tan’s integrative model shows some relevant theoretical and analytical progresses in the field, which are also close to the mixed embeddedness theory. First, they underline the need to take into account both the country of destination and the country of origin. This is an important advance, since the literature on immigrant entrepreneurship has so far mainly emphasised the influence of the country of destination. Second, with the concept of glocalized networks (with both local and global connections) Chen and Tan underline the need to take into account different spatial scales (national, regional and local). Actually, this was already introduced by the mixed embeddedness approach, but only with regard to opportunity structure. What is new in Chen and Tan’s approach is that these different scales are also applied to social networks - thereby linking entrepreneurs to people in different countries in different spatial scales.

2.6 A model of mixed embeddedness for transnational immigrant entrepreneurship

In this section, starting from the ‘mixed embeddedness’ approach and the proposed concept of multifocality and my definition of structural and relational embeddedness (see Section 2.3), a model of mixed embeddedness applied to the field of transnational immigrant entrepreneurship is proposed. In this scheme (Figure 2.4), I recall some features of the different models presented in the last section (the interactive model, the mixed embeddedness approach and integrative model) and I add some elements related to the field of transnational entrepreneurial activities carried out by immigrants. In particular, I further define opportunity structure and clarify the processes through which opportunity structure is seized.
Concerning opportunity structure, which can be defined as the set of opportunities arising from the contextual conditions, I propose to re-define it on the basis of the idea that immigrants’ lives and experiences are connected with different places and groups.

Immigrant entrepreneurs run businesses that are connected to specific places. These places have certain characteristics and peculiarities that may affect the opportunity structure.

However, the past literature has often referred only to the country of destination - literature on immigrant entrepreneurship - and to the country of origin - literature on transnationalism (see for example, Levitt & Jaworsky, 2007; Ambrosini, 2011). I stress that it is also necessary to consider the context of other relevant countries, especially in the case of transnational immigrant entrepreneurship. In this sense, the context in which migrants can live their lives and develop their businesses is threefold: country of origin, country of destination, and other countries.

Furthermore, it is necessary to take into account different spatial scales for each country: national, regional, municipal, and district. In particular, each of these has specific characteristics from a political, institutional, social, and economic point of view that might affect entrepreneurial activities.

The national scale refers to the set of policies, rules, laws, and social and economic conditions at the State level that contribute, directly or indirectly, in encouraging or discouraging
Background: Globalisation, Transnationalism and Embeddedness

(transnational) entrepreneurial activities. As underlined in Section 1, even though States are losing some of their power, they maintain some degree of authority when it comes to certain economic and migration issues.

However, the increasing importance of cities in the global economy and the transfer of some power from States to cities and regions (Sassen, 2006 and 2007) have led cities and regions to have a political and economic impact. For example, often cities have developed their own autonomous economic strategies and paths. Their economic competitiveness and attractiveness does not necessarily depend on them belonging to a powerful State, but rather on their ability to compete with other cities. Thus, cities present different market conditions and characteristics that may affect entrepreneurial activities. Moreover, they have a certain degree of legislative autonomy (e.g. mayoral executive orders) that influence the business.

Context conditions not only differ from city to city, but also from neighbourhood to neighbourhood. For example, one difference might be the percentage of immigrant population, which may entail a different kind of clientele for the business. As underlined by the ‘Ethnic Enclave Economy’ theory (Wilson & Portes, 1980; Portes & Stepick 1985; Portes & Manning, 1986), in some cases a high concentration of immigrant population can favour the growth of profitable businesses.

As already stated by past models, places’ political, institutional and economic contexts contribute to create the opportunity structure. Institutional and political conditions (political-institutional context) play an important role in shaping entrepreneurial activities (Baltar & Icart, 2013). They might help create the conditions for the development of transnational businesses and affect the choice of a certain sector. They may also influence the entrepreneurial activities through a structure of incentives and opportunities (e.g. Morawska, 2004; Urbano et al., 2010; Rath & Eurofound, 2011). The institutional framework (at different spatial scales) is composed by formal acts (such as laws, rules and policies) implemented by public entities (i.e. central, regional and local governments, Chambers of commerce, etc.). For example, laws regarding immigration and entrepreneurship influence entrepreneurial activities, and legislation on immigration can easily favour or discourage the rise of import/export activities. Miera (2008) provides an excellent illustration of how the institutional environment can favour the transnational economic activities of one group over those of another. She highlights the fact that Polish immigrants who become entrepreneurs in Germany are more likely to be transnational, whereas the business activities of people from Turkish origin are typically local and connected with their co-nationals’ market. This can be explained by the different German migration legislations for Turkish and Polish immigrants. Since 1985, Polish immigrants in Germany have enjoyed less restrictive conditions for self-employment and long-term residence than other immigrants. This allows Polish immigrants to enter different markets (not only that of their co-nationals) and to set-up businesses with connections abroad.

Moreover, some specific rules can affect the business. For example, certain policies against the proliferation of businesses aimed at a clientele of foreigners only (e.g. the prohibition to
open or to relocate this type of business in certain areas like in the city centre, the addition of more requirements than the general rules that normally apply, restrictions on opening hours, etc.) have been implemented in recent years at a local scale in Italy (see for example: Ambrosini, 2013). In this case, these policies discourage the start-up of businesses in certain areas. This type of policies also affects businesses with cross-border relations, since a great number of import/export entrepreneurs have local shops where they sell imported products.

Other relevant policies are the case of business incubators supporting the business start-up (Aernoudt, 2004; Rieddle et al., 2010). An interesting case is that of IntEnt (Rieddle et al., 2010), an incubator based in Den Haag (with some branches in Ghana, Suriname and Morocco), whose aim is to favour the creation of new businesses by migrants. The peculiarity of IntEnt is the focus on ‘bridging two worlds’ (the country of destination and that of origin) by offering services to migrants who wish to set up a business in their countries of origin.

Apart from institutional and political conditions, the economic situation (economic context) plays an important role in influencing the business. The economic situation refers to several features connected to both the overall economy, and market and production conditions.

The former includes all the conditions of the economy (unemployment level, productivity; inflation, economic phase - prosperity, recession, depression, and recovery) of the place with which the business has connections. For example, the economic crisis has a negative impact on immigrants’ chances of business survival and growth. At the same time, the fact that in some European countries (such as Italy) the crisis has had a stronger impact than in other countries might lead immigrants to start trading with other countries in order to take advantage of the better economic situation.

Market conditions play a central role in influencing the business. I consider that markets have two fundamental characteristics\(^7\): accessibility and structure. Accessibility refers to the barriers restricting access. For example, if a specific degree or certificate is required this would likely limit the number and type of entrepreneurs entering the market. Likewise, a market where a considerable investment is required (to buy machinery, for example) is mostly inaccessible to many immigrants. As for market structure, it refers to the number of participants in the market (both in terms of supply and demand), as well as the relationships and the distribution of power between these actors (Engelen, 2001). For example, it would be difficult for an immigrant to open a profitable business in a market where the product is offered by many other businesses, and therefore the demand is not very high. Market conditions are fundamental for cross-border businesses, which usually connect more than one market. In this case, not only are the characteristics of these markets important, but so are the interplay and the ‘harmonisation’ among the different markets involved. The specialisation in producing certain products (e.g. industrial clusters) might create opportunities that entrepreneurs can take advantage of.

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\(^7\) Other authors (e.g. Engelen, 2001) stated that markets have more than these two characteristics (e.g. actors, products, etc.). Here I decided to take into account the two I consider more important.
The link with different groups can also provide opportunities that entrepreneurs can seize. With regard to migrants, four main groups must be taken into account: family (immediate and extended), co-nationals, natives (of the country of destination), and people of other nationalities\(^8\).

Here, the concept of opportunity structure is further developed by paying more attention to the group side of opportunity structure. In particular, I propose to add a new sphere, namely that of the groups’ modes of behaviour. The features of these groups in terms of modes of behaviour contribute to create opportunity structure. I define modes of behaviour as the set of habits, role models and attitude distinctive of a certain group.

Past studies on immigrant entrepreneurship have treated the role of groups in two ways. Firstly, they have mainly analysed the characteristics of co-nationals (as was done for example in the culturalist approach to immigrant entrepreneurship, see Min, 1987, and in the interactive model), such as the entrepreneurial attitudes of some ethnic minorities (e.g. Korean and Chinese). Secondly, past scholars have often relegated group behaviours to market conditions. Indeed, both the interactive model and the mixed embeddedness approach tend to restrict group characteristics and behaviours to the general category of market conditions.

Examples of modes of behaviour include consumption habits and entrepreneurial conducts. Examples of distinctive behaviours are: the propensity for many immigrant group to cluster in certain business sectors (e.g. in Italy many Egyptians open take away pizza shops); for many Asian populations, the consumption of rice; for British people, the habit of drinking tea. Kwak and Hiebert (2010) provide an interesting example of how group behaviours offer opportunities for immigrant entrepreneurs and, in particular, transnational ones. The authors analyse the custom of going abroad (usually to Canada or the US) to learn English by young Korean people. This provides Korean entrepreneurs in Canada with a good way of developing a successful transnational business: they set up language schools for Koreans who want to go to Canada to learn English. These schools are very particular because, although based in the country of destination, they have a strong connection with the country of origin (usually through a partner based in Korea). Thus, in order to attract and satisfy the demand from Korean people, Korean entrepreneurs developed their business by connecting a demand of co-nationals (the need to learn a language) and resources from the country of destination (the fact that in Canada English is one of the official languages). Providing another example, Urbano et al. (2011)’s research into immigrant entrepreneurs of different nationalities with a transnational business (Moroccans, Chinese and Romanians) in Catalonia (Spain) underlined that role models (e.g. successful examples of entrepreneurial path by co-nationals) and the entrepreneurial aptitudes of co-nationals are very important for the emergence of transnational businesses.

Modes of behaviour affect both the conditions of the market in which entrepreneurs develop their business (economic context) and opportunity structure. Two examples can clarify this double influence. First, the high entrepreneurial prevalence among certain populations (e.g. Chinese or Italians) can influence opportunity structure in a direct way. The example of many co-nationals

\(^8\) These can be other immigrants in the country of destination or natives of other countries (from neither the country of destination nor the country of origin).
running successful businesses can lead new immigrant entrepreneurs to imitate good strategies and practices. Second, the consumption patterns of a certain group concentrated in a certain place (e.g. eating pasta for Italians) modifies market conditions (economic context).

As stated in previous models on immigrant entrepreneurship, groups also impact on business practices thought the entrepreneur’s personal contacts (social network), which can provide support for the business, and constitute the entrepreneur’s social capital. Personal contacts influence entrepreneurial activities directly. Contacts can provide information about various available opportunities from several places (Smans et al., 2013), and they might provide relevant help in managing the business, both in the country of destination (regarding immigrant entrepreneurship in general) and in other countries. The past literature on transnational entrepreneurship has stressed the role of social networks as the driving force behind transnational businesses (Portes et al., 2002; Patel & Conklin, 2009; Patel & Terjesen, 2011). The role of social networks for cross-border businesses seems to be even more relevant than for immigrant entrepreneurship in general, because transnational businesses need information and help in connection with more than one social context. Entrepreneurs with a transnational business usually need to rely on a number of contacts to find out about and take advantage of available opportunities, and to manage the part of the business that is located abroad.

According to the past literature on transnational entrepreneurship, what matters is not only the size of the network, i.e. the number of ties, but also its scope, i.e. the diversity in social and geographical terms, to increase the possibility of developing transnational activities (Portes et al., 2002; Patel & Conklin, 2009). In particular, having a wide range of contacts, both weak and strong ties (from the country of origin, the country of destination, and/or others countries) is particularly useful when wanting access to all kinds of information and opportunities.

In this regard, following the work of Chen and Tan (2009), it is important to underline the fact that key contacts can also be situated outside the country of destination. For example, a recent article by Bagwell (2015) into the use of different forms of (transnational) capital to further develop the business by Vietnamese entrepreneurs in London underlines that these entrepreneurs have several contacts and links abroad. These links are not only with people in their country of origin but, also with persons (usually co-nationals) located in other countries.

Furthermore, individual characteristics affect immigrant entrepreneurial activities. Both human capital and financial capital can be considered individual characteristics. Financial capital refers to the amount of money an entrepreneur can invest in the business. It can influence the choice of area (as some sectors require a high initial investment), and it might also affect prospective business growth. For example, in order to open a branch of their business in another country, entrepreneurs need an initial investment, something that only those with a considerable financial capital are able to do. Human capital refers to a set of background (e.g. entrepreneurial family background), skills (e.g. education), knowledge (e.g. past experi-
ence), and personal attributes (e.g. creativity, ability to innovate). Individual resources affect entrepreneurial activities directly. For example, education might provide the skills to manage a business more easily. For example, having a high-school degree in Accounting or a degree in Business Administration could make for better business management skills. Sometimes just the fact of having studied may well provide certain important abilities such as good reasoning and analytical skills, which are often useful when managing a business (Chiesi & Zucchetti, 2003). Other personal abilities can also be helpful. For example, language skills seem fundamental for broadening the business and starting to trade with foreign countries (Light et al., 2002). Previous knowledge of the sector can also facilitate the start-up and growth of a transnational business (Lin, 2008; Patel & Conklin; 2009; Ambrosini, 2012). For example, if the entrepreneur already knows the suppliers, he or she can more easily obtain payment deferrals for the products being bought; this can be fundamental particularly in the early stages of the business. Previous knowledge of the market (or of similar markets) also allows the entrepreneur to understand in which ‘direction’ to expand the business. In addition to work experience, life experiences (such as travels, migration, etc.) can also be mobilised for the businesses (Terjesen & Elam, 2009).

Finally, according to the model illustrated here, the opportunity structure is influenced by three spheres of opportunities (the political-institutional context, the economic context, and modes of behaviour). In comparison to the mixed embeddedness approach, I introduce a third pillar, namely that of modes of behaviour. As in the mixed embeddedness model, the entrepreneur’s personal resources and contacts influence the knowledge of this opportunity structure (identification of available opportunities) and how immigrant entrepreneurs take advantage of it (seizing of available opportunities). For example, an Italian immigrant in a country where pizza is highly in demand might have problems starting up a *pizzeria* because he/she does not have the necessary skills to make a good pizza or the financial capital to hire a good pizza chef for lack of money. Or, he/she may have the money to employ a very good pizza chef, but may not be able to find a good one because his/her contacts (the social capital) do not provide the help needed.

Opportunities from the various spheres might be identified and seized thanks to a certain degree of multifocality as well as relational and structural embeddedness (see the part in the middle of Figure 2.4). Entrepreneurs may be able to identify and exploit opportunities thanks to a deep knowledge of, and insertion in, the places and the groups that they are connected with (structural embeddedness). Since migrants’ lives are deployed in several places, they may have deep knowledge of the situation in more than one city and/or country. Thus, migration paths can provide the entrepreneur with the necessary knowledge to develop a cross-border business. For example, an immigrant might know a specific need of the population in the country of destination and also be familiar with the market of the products required in his/her country of origin, and thus be able to exploit this double knowledge for his/her business. The opportunity structure might also be

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9 As underlined in Chapters 1 (Introduction) and 7 (Conclusions), how immigrant entrepreneurs identify and seize available business opportunities is the central topic of this dissertation.
recognised due to some key contacts (relational embeddedness). Embeddedness in groups can provide useful resources and information for the entrepreneurial activity.

2.7 Sub-research questions

Starting from the model illustrated above, and on the basis of the main research questions illustrated in the introduction (Chapter 1), specific sub-questions arise:

a. Opportunity structure and structural embeddedness:
   1. What spheres, places and groups contribute to creating TIEs’ and DIEs’ opportunity structure?
   2. Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?

b. Social Networks and relational embeddedness:
   1. Do TIEs and DIEs differ in their business network composition and structure?
   2. Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?

c. Individual characteristics, and structural and relational embeddedness:
   1. Do TIEs and DIEs differ in how individual characteristics are relevant for the purpose of identifying and seizing business opportunities?
   2. How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?

2.8 Conclusions

In the last thirty years, globalisation processes have changed the world in which we are living. In particular, increasing possibilities of communication and mobility allow people to stay in touch with persons and places all around the world.

Regarding migrations, these changes provide a framework to develop partially new migration trajectories and forms of belonging. Migrating might not involve a partial break with the society of origin, as underlined by authors in the past (see for example: Hall, 1990; Sayad, 1999). By contrast, migrants are able to maintain contact with their country of origin and to be more mobile. Currently people have “the possibility to come and go, to move among several countries, building networks through a sort of ‘commuting’ between multiple worlds. [...] There is a possibility - for those who have enough courage, energy and intelligence to do

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10 However, recently Pnina Webner (2013) partially contrasted this view by stating that “not even the new information and communication technologies (ICTs) such as imported films, music and satellite TV beamed directly from the homeland, or the alleged speeding up of international travel, can overcome the gaping absence of embodied, everyday, nurturing co-presence of a migrant’s loved ones” (p. 120).
so - to play ‘the game of their lives’ at multiple tables” (Petrillo, 2011, p. 51).

It is in this changing global and migratory landscape that transnational entrepreneurial practices develop. These represent a case par excellence of persons engaged in activities referring to multiple contexts. Migrants can succeed in pursuing migration paths and, possibly, entrepreneurial activities that link the country of origin and the destination country, and, possibly, other places as well. In this regard, I have proposed the concept of multifocality, which refers to simultaneous links with multiple places and groups. Therefore, migrants take into account multiple places and groups for their actions.

For many migrants, this means that they are embedded in these places and groups. For example, they have many contacts in a place and these belong to a certain group, or they have a deep knowledge of the characteristics of the places with which they have contacts. To account for this embeddedness, I have re-defined - based on the definitions of Portes (1995) - the concepts of structural and relational embeddedness. Structural embeddedness refers to a profound and direct understanding of the features of places and groups, whereas relational embeddedness refers to ego’s contacts and the relations with and among these contacts.

However, not all migrants are involved in transnational practices and are able to fully exploit the new possibilities. In order to develop transnational economic activities there has to be a favourable opportunity structure, and entrepreneurs need both resources and expertise. The processes underlying transnational entrepreneurship deserve more attention. For this reason, I propose a partially new model (combining the previous models with the transnational approach). This model has three main new features compared to the previous ones:

1. It stresses the idea that different places (not only the country of destination but also that of origin and third countries) and groups (co-nationals, natives, other immigrants) are taken into account by immigrant entrepreneurs (multifocality) and, therefore, they have to be considered in the analysis of the phenomenon.

2. Besides institutional-political and economic contexts, which mainly refer to places, opportunities (opportunity structure) are also created by groups’ modes of behaviour. I define modes of behaviour as the set of habits, role models and attitude distinctive of a certain group.

3. Apart from personal characteristics (e.g. education, family background, etc.), opportunities can also be sized thanks to a certain degree of structural and relational embeddedness.

In conclusion, as illustrated in the introduction (Chapter 1), the empirical research illustrated in the next chapters aims to shed further light on the ‘middle’ part of the model graphically represented in Figure 2.4, namely how opportunities are identified and seized.

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11The translation from Italian to English is mine. The original quote is: “la possibilità di andare e venire, di spostarsi tra più paesi, costruire reti di una sorta di ‘pendolarismo’ tra mondi. […] esiste - per chi ha coraggio, energia e intelligenza sufficiente per farlo - la possibilità di giocare su più tavoli la partita della propria esistenza”.