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

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CHAPTER 4
Structural embeddedness, multifocality and opportunity structure

What spheres, places and groups contribute to creating opportunity structure for TIEs and DIEs? Do TIEs and DIEs differ in how structural embeddedness is relevant for the purpose of identifying and seizing business opportunities?

This chapter addresses the topics of opportunity structure, multifocality and structural embeddedness that were introduced in Chapter 2. As already underlined in Chapter 2, opportunity structure refers to the set of opportunities arising from the contextual conditions.Entrepreneurs can consider various opportunities originating from the characteristics of different places and groups and, therefore, be multi-focal. In fact, multifocality, defined as simultaneous links with in multiple places and groups, refers to the fact of taking multiple places and groups into account.

However, being linked with different places and groups and taking these into account can happen for different reasons. For example, entrepreneurs might be linked with the context of a place (e.g. a country) thanks to some key contacts with people who live in that country, or they might have lived there for a while themselves and developed direct, personal knowledge of the place. This second case is a good example of structural embeddedness, i.e. first-hand knowledge of the characteristics of places and/or groups. Due to a certain degree of structural embeddedness, people can be a part of an opportunity structure and, consequently, be able to identify and seize available opportunities. This topic of how opportunities are identified and seized, which is also addressed in Chapters 5 and 6, is the central topic of this dissertation (see Introduction).

More in particular, the chapter has two main purposes.
The first objective is to highlight what spheres, groups and places contribute to creating the opportunity structure that Moroccan entrepreneurs take advantage of. Specifically, its aim is to answer the following question: What spheres, places and groups contribute to creating opportunity structure for TIEs and DIEs?
The second objective is to understand the role of multifocality and structural embedded-
ness for the purpose of identifying and exploiting business opportunities, and thus to answer the following question: Do TIEs and DIEs differ in how structural embeddedness is relevant for the purpose of identifying and seizing business opportunities? In this regard, since both multifocality and structural embeddedness are new concepts, this chapter is mainly exploratory.

As in the whole dissertation, these issues are addressed first by comparing entrepreneurs who run a cross-border business (TIEs) with those who are more active in a domestic market (DIEs), and then by underlining any differences that emerge among TIEs.

In order to answer these questions, I use mainly qualitative data. In particular, starting from the interviewees' stories and their answers to my questions, I aim to underline the main trends emerging from the interviews. To substantiate these trends, I quote statements from the interviews and I provide examples from the respondents' stories.

The chapter is organised as follows. First, I focus on opportunity structure. In particular, I investigate what spheres (political-institutional context, economic context, modes of behaviour) create the opportunity structure that Moroccan entrepreneurs take advantage of, and compare results between TIEs and DIEs (4.1). Second, I underline the places and group features that interviewees take into account for their opportunity structure, I focus on the concept of multifocality and I underline the differences between TIEs and DIEs (4.2). Third, I investigate the role played by structural embeddedness in places and groups for TIEs and DIEs when it comes to identifying and seizing available opportunities (4.3). Finally, I also underline the differences among TIEs regarding the various aspects investigated in the previous sections (4.4), and I conclude the chapter with a summary of the results (4.5).

4.1 Does opportunity structure always matter for the entrepreneurial activity? Differences between TIEs and DIEs

4.1.1 General findings

An analysis of the interviews shows that context-dependent opportunities are especially important for TIEs, since opportunity structure creates the background in which entrepreneurs can start and develop a cross-border business. In contrast, opportunity structure seems relevant only for DIEs in the ethnic market.

In particular, TIE businesses always seem to be related to some features of opportunity structure linked to context. For example, when I asked, 'why Milan?’, M. (M02) answered, “I could never have started my business in another city or country. Italy and Milan are the natural location for my business. Milan is very advanced in the fashion industry.” M. is a fashion designer and produces fashion clothes. She benefits from the fact that Milan is one of the most important fashion capitals in the world (Mingione et al., 2007).

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1 Specifically I asked (see also Appendix), 'Why did you choose to start a business in Milan/Amsterdam? Were there any institutional features/opportunities that led you to start the business in this specific city? And if so, what were they?'.
TIEs strongly exploit context opportunities and seize them for their business. For example, S. (A24), who owns an on-line website providing help and information to people who have contacts with Morocco, takes advantage of the presence of many second-generation Moroccans in the Netherlands (opportunity structure) and the opportunities that this presence entails.

"Many people in the Netherlands were born here, but from Moroccan parents. I've seen those people who know Arabic but have trouble understanding certain specific words - legal terms, for example - and certain rules, or the way things work... culture and mentality, you know. They grew up in the Netherlands but they spent a lot of time in Morocco, visiting friends, relatives, etc. They often have problems with bureaucracy and legislation when they want to buy a house or they need to bury a relative who has died in Morocco. And they have no knowledge of the rules or the way to go about things. Since I know my country quite well, I thought, why not create a website to facilitate people going to Morocco or doing business there, by providing them with relevant information?" (A24)

By contrast, two different patterns emerge concerning DIEs. DIEs owning a business in the mainstream market seem partially disconnected from the opportunity structure and, consequently, from the opportunities linked to contextual conditions, as stressed by M. (A03): "This shop, because of the opportunities in Amsterdam or the Netherlands, it is just because I wanted to start this kind of business and I lived here" (A03). M. owns a minimarket offering products that are not connected to the immigrant group; he does not seize any specific opportunities coming from contextual conditions for his business.

In this case, contextual conditions have less influence on DIE entrepreneurial choices, which are shaped by other factors, such as the people they have contacts with (see Chapter 5), and their previous life and work experience (see Chapter 6). Two examples make this pattern clearer. After several rather disappointing work experiences, B. (M38) started to work in a café, where she learnt "how to make coffees and cappuccinos", and since she "worked hard and didn't earn very much", she "decided to start a business". In this case, B. did not exploit any particular contextual features. The same happened to S. (M36) who is an electrician. He started his business simply because he worked as an electrician in a company where he felt uncomfortable. He decided to continue to do the same job, but that he would work for himself: "At one point, I had a serious argument with my boss, so I thought about leaving the job and starting my own business as an electrician, and so I did just that... No particular other facts influenced my decision".

By contrast, DIEs with a business serving an ethnic market take advantage of opportunity structure for their business, even though this is often linked to co-nationals, which means it is limited to a specific, 'captive', opportunity structure. For example, C. (M31) owns a shop selling Arab furniture. Since in Milan there are a relatively high number of people from North Africa and Arab countries, and these people request particular products, C. exploits the op-
portunity originating from this: "My shop sells Arab furniture, in particular sofas and curtains. I buy both the raw materials and the final products here in Lombardy and I sell them...Both are in demand by my co-nationals". Similarly, H. (M30) owns a bakery offering products to Moroccan immigrants (e.g., typical bread, such as raïf). He chose the location of his bakery based on the fact that "in this area there are a lot of Moroccan people. They are interested in traditional Moroccan food, so for me it was a good place to set up shop".

Therefore, the market addressed influences if and how contextual opportunities are taken advantage of. Entrepreneurs in the ethnic market need a combination of certain factors - the presence of a relevant number of immigrants and the concentration of these in a given neighbourhood - , whereas entrepreneurs in the mainstream markets simply exploit needs that are not peculiar to a particular group or place.

In summary, apart from entrepreneurs in the ethnic market, TIEs seem more influenced by prevailing conditions in the context they are linked to. However, as stressed in the literature (Kloosterman, 2010), even though the role of opportunity structure is not always visible, it is often relevant. In other words, although entrepreneurial choices are driven by other factors (e.g. past work experience), as it would appear from the case of Moroccan DIEs, the opportunity structure has to be favourable to the business. For example, a saturated market or legal barriers may constitute obstacles to the business (Kloosterman et al., 1999). Opportunity structure is made up of different spheres that influence the creation of opportunities that entrepreneurs can seize. This topic is addressed in the next section.

4.1.2 Spheres of opportunity structure

For both categories of entrepreneurs, the economic sphere and group modes of behaviour play a prominent role in creating the opportunity structure. By contrast, the institutional and political sphere does not seem to be very relevant for the business. In particular, based on the interviews, dissimilarities between TIEs and DIEs emerge only with regard to the economic context.

Economic context

Both TIEs and DIEs stress the importance of the economic context(s) in which they develop their business. The economic context influences their choices by creating opportunities that Moroccan entrepreneurs can seize for their business. However, in this regard, there is some dissimilarity between TIEs and DIEs, since TIEs exploit both contextual production and market peculiarities (in different countries), whereas DIEs generally exploit only market characteristics.

Indeed, TIEs take advantage of both the market, which refers to customers and their requests, and the production system, i.e. suppliers offering certain products and services. For example, many entrepreneurs in Amsterdam and Milan take advantage of the fact that North-African countries often specialise in making Arab products (e.g. particular types of

\[2\] In this case, only the ones connected with opportunity structure (see previous section).
food, furnishings, and furniture): "I know that in Morocco I can find the spices and herbs I need, to sell to my co-nationals. They are particularly specialised in that" (M14). They import goods from these countries in order to satisfy the needs of the Moroccan group in their country of destination (see the example of M14, Box 1). Other entrepreneurs take advantage of the production system in their country of destination, and the demand for such products abroad. For example, many entrepreneurs export goods from Italy (e.g. industrial machinery) or the Netherlands (e.g. trucks, flowers) to countries in the Arab peninsula (see for example A14, Box 1). At the same time, market conditions also create opportunities for TIEs. For example, the need for some products and the lack of suppliers in a given place can create opportunities that entrepreneurs can seize (M10, Box 1).

By contrast, as the previous literature has also stressed (see for example Zhou, 2004), the DIEs in our sample only exploit market conditions, and they do not take advantage of the production system. Even though the economic context also contributes to creating opportunities for the business in the case of DIEs, opportunities generally refer only to market and customer conditions, and not to any production and supplier structure, as in the case of TIEs. For example, A. (A28) is a paradigmatic example of this tendency. He has a grocery store offering products intended for Moroccans. He states that “in this area there are many people with a Moroccan background. Even before I started I thought that I could find many customers that would be interested in my products, so I started this business here”.

Modes of behaviour

As we can see from the example above, opportunities also emerge in connection with some groups’ customs, or group modes of behaviour (e.g. consumer habits such as the demand for Arab and Moroccan dresses or sofas, as well as consumption of Moroccan tea or Moroccan food, see also Chapter 2), which generate market opportunity for some of the respondents. Group modes of behaviour contribute to creating an opportunity structure that both TIEs and DIEs take advantage of. In this regard, the concentration of a certain group in a certain place usually provides the entrepreneurs with a market where they can sell the desired products. For example, J. (A20) is a TIE who provides fabrics and curtains for interior decorating. His co-nationals require these specific products, which he imports from Morocco and Turkey because the fabrics are different from what he would be able to find in the Netherlands, because they create a "Moroccan atmosphere", and Moroccan people in Amsterdam want “a little bit of Morocco in their home”. The above-mentioned case of A. (A28) is paradigmatic of DIEs seizing context opportunities, and shows the relevance of the co-national group’s needs for DIEs in the ethnic market.
Box 1 | Examples of TIEs benefiting from opportunities that arise from economic contexts and modes of behaviour

N. (M14) - Import of herbs and foods

N. imports Moroccan herbs and foods from Morocco and sells them to ethnic shops, which need these products to sell them to Moroccan immigrants (opportunity linked to modes of behaviour), in Milan and in other cities (market opportunity). He decided to import them from Morocco first because this is where he can find the products that his co-nationals need and also because it is cheaper than buying them from other wholesale businesses in Italy (production opportunity).

A. (M08) - Production and Export of kosher products

A particular example of TIEs linked to the opportunity structure created by modes of behaviour is that of A. (M08), who is a Moroccan Jew. In this case her reference group is the Jewish community. She produces kosher foods (foods made and prepared in accordance with Jewish norm) and then she exports these products all around the world, supplying various local Jewish groups. In this case the lack of suppliers in Italy (“Before we started, we had to go to Lugano in Switzerland to buy the products!”), provides her with the opportunity of having a market to satisfy (market opportunity). This market is created by the demand for certain products by her religious group (opportunity linked to modes of behaviour).

B. (A14) - Consultancy in the trucking sector

B. has a consultancy that helps companies from MENA (Middle Eastern and North African) countries, and in particular from the Arab Peninsula, to buy vehicles (trucks and vans) from the Netherlands and Germany, two countries where the production of these is particular advanced. In this case, a market and a production feature are combined: the production of vehicles in some countries (production opportunity) and the request for these by companies located in the Arab Peninsula (market opportunity), which is in a period of economic growth.

A. (M10) - Export of hydraulic and construction products

A. exports hydraulic and construction materials to Morocco. He exploits the possibility created by linking different opportunities. In Italy, he takes advantage of the good quality of Italian hydraulic and construction products and the production system in Lombardy (production opportunity). In Morocco, he exploits the request for these and, more precisely, the lack of high-quality products on the market in his city of origin (market opportunity).
Political and institutional context

Political and institutional contexts seem to affect the business less than economic conditions and modes of behaviour. Indeed, almost none of the interviewees (be they TIEs or DIEs) have mentioned any particular laws, regulations or institutional initiatives that fostered or hindered their entrepreneurial activity.

Firstly, during the interviews, respondents did not point out the role of laws and regulations. Therefore, in the perception of the respondents at least, these do not strongly affect the entrepreneurial activities of either TIEs or DIEs.

However, this underestimation of the effect of laws and regulations could be linked to the fact that respondents have overcome the barriers with ease, or they may have chosen a sector with no barriers to entry (as underlined by Kloosterman et al., 1999 in the case of butchers in the Netherlands). Therefore, during the interviews they tended to minimise the importance of laws and regulations. For example, in order to work as hairdressers, immigrants in Italy have to attend a training course to get the required diploma. In such cases, since the entrepreneurs who wanted to start this type of business usually already had some experience as hairdressers, the interviewees just attended the course and then they opened their salon: “I did the course to become a hairdresser first in Morocco and then also here in Milan, because it is required, and the one I did in Morocco was not recognised” (A37).

Only in one case did a TIE (M07) mention that he had had some problems with regulations linked to the international side of his business. He encountered difficulties when he wanted to import tea from China, because it did not meet Italian requirements. He finally resolved the situation by first importing the tea to France, where he has a branch of his business and where the rules are less strict, and then to Italy3.

Other respondents started a business in sectors with medium to low entry barriers. For example, beginning a business in the import/export sector does not require any particular initial investments or qualifications, as underlined by this TIE:

“I started importing and exporting a small quantity of products. I travelled by train and I brought two or three boxes. Then, I bought a small car and I started to import and export more goods. Finally I got a van and my business increased. I started small and increased step by step, and so I had no difficulty with money, etc. It is easy to start importing and exporting.” (M08)

Secondly, institutional initiatives, such as policies to promote business start-ups, do not appear to be incisive enough to create relevant opportunities for either TIEs or DIEs. This happens because policies (e.g. for internationalisation, in the case of TIEs) are often inadequate and insufficient compared to the number of requests or the needs of entrepreneurs.

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3 This is an interesting case in which the European single market and the contemporary lack in uniformity of the trade legislation of products from abroad constitute an advantage for the entrepreneur.
(M02, first quote), a TIE in the fashion industry, and S. (M36, second quote), a DIE who is an electrician, provide two examples:

“When I started, I tried to get some help but it was impossible. The Chamber of Commerce tries to do something but Milan is big and there are so many companies. The Region also offers some vouchers; there are vouchers for the internationalisation of the company, for example. The problem is that, on some very specific days, you have to go there early and wait. But all the available vouchers are used up immediately. So I didn’t get any.” (M02)

“There was a program called “Tira su la Cler” [Open up your Shop], sponsored by the City of Milan, and I was interested... They were offering help to start businesses in poor and disadvantaged areas of the city. But I considered that it was not such a good idea for me to open a shop, so I decided to keep working from home.” (M36)

Thirdly, the only important factor for TIEs that does not also apply to DIEs is the generally stable political situation of the countries they have contacts with. For example, S. (A04), a TIE who organises study trips abroad for Dutch students, underlines that she “chose Morocco and Jordan also because these countries are quite central and their political situation is relatively good”.

Some entrepreneurs had some contacts with countries where there was a civil war, such as Syria and Libya, but it was very hard to keep such contacts, and so they cut off these links. For example, A. (M40) has a consultancy helping companies to establish contacts with North-African and Middle-East countries. He “previously worked mainly with Libya, a lot with Italian companies there”. Libya was the main country he had relations with but he stopped these relations because of the civil war: “Now, I have no more contacts. There are so many political problems there”. So he is currently focusing on other countries such as Turkey and countries in the Arab Peninsula, where the political situation is more stable. Thus, as also underlined by previous studies (Portes et al., 2002; Baltar & Icart, 2013), TIEs tend not to have any business contacts with countries whose political and economic situation is unstable.

To summarise, the main differences between TIEs and DIEs have to do with economic context. Peculiar characteristics of the market (the products and services required) and production structure (the goods produced) are always the basis for developing a cross-border business (TIEs). By contrast, DIEs normally refer only to market structure and only exploit opportunities created by market conditions in regard to certain groups’ needs and modes of behaviour⁴. Finally, TIEs need a stable political situation in the countries where they have business contacts.

⁴ This is confirmed in both Amsterdam and Milan, and when businesses are sorted by sector and market addressed.
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4.2 Places and groups: “glimpsing” across national borders? TIE characteristics compared to those of DIEs

In the previous section the role of the different spheres of opportunity structure was analysed, and I underlined which spheres are important in creating the opportunities that TIEs exploit. However, it remains unclear which places and groups are involved in the creation of the opportunity structure, namely ‘where’ and ‘whom’ do opportunities come from. Indeed, the opportunity structure entails several conditions creating opportunities linked to different places (at multiple spatial scales) and groups.

This topic deserves more attention for two main reasons:

1. Although the role of co-nationals and other groups in terms of social contacts - a topic I will discuss in Chapter 5 - has previously been analysed in the past (see Light & Gold, 2000; Hoang & Antoncic, 2003; Zhou, 2004; Light & Bhachu, 2004), what has not often been considered is the role played by their structural features, namely how and what group features contribute to the opportunity structure (see Chapter 2).

2. Most of the literature on transnationalism only addresses host-home country links, without taking into account the possibility of relations with other countries (Levitt & Jaworsky, 2007; Miera, 2008; Chen & Tan, 2009), which is the model proposed in Chapter 2.

4.2.1 Places: countries and spatial scale

Countries

TIEs and DIEs strongly differ in where they seize opportunities. TIEs take advantage of opportunities located in different countries; while by definition (see Introduction and Chapter 3) DIEs refer only to those in their country of destination. Besides the country of destination, TIEs are linked to both Morocco (their country of origin) and third countries (Figure 4.1). They bridge opportunities from different countries for their business (Table 4.1a/b). As Barth (1967) and Kirzner (1973) underlined, this bridging process is a key factor for entrepreneurial success. This is particularly true for TIEs. Starting from the opportunity structure in different places, they combine separate spheres and they put together previously unconnected conditions in order to create new opportunities (Granovetter, 2000).

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5 This difference also remains valid if we analyse TIEs and DIEs separately in the goods and services sectors, in the mainstream and ethnic markets, in Amsterdam and Milan, and for first and 1.5 generations.
In contrast to what is stated in the previous literature (Portes et al., 2002; Levitt & Jaworsky, 2007), TIEs are not only connected with their country of origin (Morocco) but also with one or many other countries (Table 4.1a/b). TIEs are involved in business activities with both Morocco and other countries. Therefore, they take advantage of opportunities in many countries.

Furthermore, the contacts with other countries are not only with certain specific countries; they vary (Figure 4.1). These countries are mainly in Europe (e.g. Belgium, France, Germany, and Spain), North Africa (e.g. Egypt and Tunisia) and the Middle East (e.g. the United Arab Emirates, Saudi Arabia, and Turkey). In order to create opportunities, TIEs usually bridge different countries and different opportunities at the same time.

However, even though a relevant number of TIEs have no business connections with Morocco and although in other cases Moroccan links are not very important (see the example of A25 and A23 in Box 2), the importance of Morocco is generally high and the features of this country remain a reference point. In some cases Morocco is the fundamental link (e.g. M20, Box 2), in others it is just one of the most important connections (e.g. A05, see Box 2).

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6 The list of countries where interviewees have contacts was compiled by asking the following question, ‘Which countries do you have links with for the business?’.

7 I did not include DIEs since they have business connections only with their country of destination.
Figure 4.1 | Countries where TIEs have business links (besides the country of destination)\(^8\)

Note. On the map, the countries marked by a dot are those where respondents have business links. The size of the dot represents the number of respondents who have contacts with the country.

Concretely, the connections outside the country of destination are linked to both the supply and production side, and

\(^8\) Since DIEs do not have business connections with other countries I did not include them in the figure.
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the market and customer side. On the one hand TIEs export products (e.g. Italian machinery, Italian clothes, Dutch flowers, etc.) because these are in demand abroad. In this case the contacts are mainly with customers, usually other businesses such as shops. On the other hand, TIEs import products (Moroccan foods, Arab clothes, etc.) usually meant for a clientele of co-nationals. In this case the links abroad are mainly with suppliers. As for consultancy businesses, they have contacts abroad with: 1) other companies which require certain products or services; 2) institutions that play a key role in the countries where TIEs have links (e.g. the Chamber of Commerce).

Box 2 | Examples of TIE links abroad

A. (A05) - Import and retail of dresses and perfumes

A. retails Moroccan dresses and perfumes to a clientele of co-nationals. He imports most of the goods from Morocco but also from Saudi Arabia because these products are more common in that country:

“The products I sell are from my country of origin and Saudi Arabia. Most of the products I sell are only obtainable there, some in Morocco and some only in Saudi Arabia. It would be much more difficult to get these products here in the Netherlands.”

S. (A23) - Mediator and sales-assistance business

S. has a sales agency that helps other companies (both from the Netherlands and abroad) to sell their products on the Dutch market. He has not been contacted by Moroccan companies and for this reason he has links only with Russian ones: “I would like to do something in connection with Morocco, but for now there are no opportunities, and I have not been contacted by any Moroccan companies”.

C. (A25) - Export of solar simulation technology

C. (together with a Dutch associate) is the owner of a company specialised in solar simulation technology. He sells this to clients all around the world. In this case he has no particular focus on Morocco; he simply sells his products to the companies that need it.

F. (M20) - Minimarket and butcher shop

F. has an Islamic butcher’s shop and minimarket selling Moroccan products. In order to satisfy the requests of her co-nationals for certain products, she imports mostly from Morocco, because the products are cheaper and because they are difficult to find in Italy.
Spatial scales

Besides the countries where entrepreneurs have links, opportunity structure is composed of contextual features on different spatial scales (Kloosterman & Rath, 2001). In this, TIEs refer to both a national and a local spatial scale, whereas DIEs usually refer to a strictly local scale, i.e. at an urban and neighbourhood levels\(^9\)\(^10\).

As for TIEs, they take advantage of opportunity structure on different spatial scales.

First of all, TIEs take advantage of local opportunities at the city and neighbourhood levels. They exploit the contextual characteristics (opportunity structure) of these two levels, such as the high percentage of people who need certain products in a given neighbourhood (e.g. clothes in the case of A18, Box 3), the presence of particular business clusters of companies in specific sectors (e.g. the so-called distretti industriali in Italy - see M01, Box 3), or the presence of an important marketplace in a certain area (e.g. the biggest European marketplace for fruits and vegetables in Barcelona (see M05, Box 4). Furthermore, TIEs who have contacts with European countries usually choose the biggest and most important cities. Entrepreneurs who import goods intended for Moroccans focus mainly on cities with large numbers of immigrants (e.g. Brussels, Paris, and Marseille). For example, M. (M16) exports Arab sofas to Brussels because many shops in the city require them in order to satisfy the demand from resident Moroccans.

Secondly, TIEs in Milan exploit certain regional features. For example, Lombardy has an industrial fabric that provides important opportunities for entrepreneurs. Many industrial types of machinery requested all around the world are made in Lombardy (see M09, Box 3). In Amsterdam, where the regional aspect seems less important (see Chapter 3), TIEs take less advantage of regional conditions and features.

Finally, many TIEs benefit from national characteristics. For example, TIEs take advantage of the fact that Morocco and, more generally, MENA (Middle-East and North-African) countries have growing economies. Indeed, many Dutch and Italian companies want to enter those markets, as illustrated by many entrepreneurs in Amsterdam (see also the case of A11, Box 3): "Many companies in the Netherlands are already active in Morocco or are interested in being so" (A17). This economic situation on a national scale influences and creates opportunities for Moroccan entrepreneurs, since they know Arabic (see Chapter 6). Another example of opportunity at a national level is the demand for Italian clothes (i.e. men’s suits) by Moroccan people living in Morocco (see M01, Box 3).

\(^9\) For example, a large majority of DIEs estimate that about 80% of their customers are in the city where their business is located. Moreover, suppliers are also generally from the city (or the area) where the business is located. In contrast, TIEs have suppliers all over the world and only about 40% (on average) of their customers are in their city of destination.

\(^10\) The tendency of TIEs to consider contextual conditions on different spatial scales, and that of DIEs’ to focus mainly on the opportunity structure on a local scale, is also confirmed if entrepreneurs are sorted by sector, city, generation, and type of business.
Box 3 | Examples of combination of different spatial scales by TIEs

**A. (A11) - Consultancy for companies**

A. owns a consultancy business which is specialised in helping companies to start a business in Morocco. Many Dutch companies want to enter the Moroccan market since it is a growing one. Therefore, since Morocco is his country of origin and he knows “how to go about searching for information there”, he started a business supporting companies that wish to enter the Moroccan market.

**A. (A18) - Traditional Moroccan female clothing**

A. sells traditional female clothing. She decided to start her business in Amsterdam because “there is a large Moroccan community. So it meant that I could possibly have a great number of customers”. In addition, she decided to locate her business in a specific area because she knew that this neighbourhood was “one of the areas in Amsterdam with the largest Moroccan and Arab communities”. Therefore, she takes advantage of the high percentage of people who need particular products in a given place.

**B. (M01) - Export of Italian clothes, shoes and textiles**

B. exports Italian clothes, shoes, and textiles to Morocco, where Italian products are highly in demand. He buys these goods in different regions, especially those where there are clusters of companies specialised in producing them (e.g. Tuscany). After that, he sends them to Morocco.

**M. (M05) - Import and wholesale of fruits and vegetables**

M. imports fruits and vegetables mainly from Spain, especially from Barcelona, home of the most important European marketplace for these products.

**R. (M09) - Export of Italian machinery**

R. imports industrial machinery for the construction sector to Arab countries. Companies in these countries request Italian machinery for its high quality level. These goods are mainly products from Lombardy, the region where Milan is located. Therefore R. takes advantage of the production conditions of this region.

As for DIEs, they seize opportunities mainly on a local scale. They usually take advantage of the presence of co-nationals or other immigrants in the city or in a certain area, or the market characteristics of a given area, such as the lack of businesses providing a certain service or offering certain products. For example, M. (A27), who owns a restaurant, pointed out that his business is concentrated on a local scale: “We mainly focus of the clientele in the area. [...] I take advantage of the fact that there are many Moroccans living in Amsterdam and in the neighbour-
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hood. Another example is M. (A15) who has a bakery. He stressed the fact that he started his business in a certain neighbourhood “because there are many Moroccans here and I wanted to offer them bread that is typical of my country”.

4.2.2 Groups: the importance of co-nationals for business opportunities

The characteristics of groups, together with those of places, represent an opportunity for both TIEs and DIEs to take advantage of. In this regard, TIEs and DIEs do not differ very much. Both TIEs and DIEs mainly refer to opportunities connected to features of their co-nationals and, to a lesser extent, those of other immigrants. By contrast, the characteristics of natives generally do not contribute in creating the structure of opportunity that Moroccan entrepreneurs use.

The presence of a particular group with some specific needs, and in particular the presence of co-nationals, is the condition that creates opportunities for the business. For example, N. (A08) sells Arab dresses and clothes, in particular dresses for festive events, such as weddings, baby showers, engagement parties, to a clientele of co-nationals or people from other North-African countries. They have a need for these clothes and N. satisfies their demand: “People want to dress like they do in Morocco in some special events, so we provide them with the things they need”.

Similarly, A. (M32), a DIE who owns a minimarket and halal butcher shop, started with the idea of supplying the immigrant group in Milan because “here there are many immigrants, so there are a lot of possible customers for an ethnic food shop!”. Another example of a DIE is E. (A16), who does a media broadcast on current relevant topics (politics, culture and art) about Moroccans in Dutch society. The presence of many Moroccans in Amsterdam and in the Netherlands created the opportunity for E. to start a broadcast company which provides Moroccans in the Netherlands with information they are interested in.

The relevance of groups, in particular of co-nationals, for creating business opportunities is linked mainly to modes of behaviour and market structure. The modes of behaviour (needs, customs, etc.) of co-nationals and other immigrants who are concentrated in certain places (a neighbourhood, for example) create markets that, as underlined in the literature (Wilson & Portes, 1980; Kloosterman et al., 1999), are usually easy for Moroccan entrepreneurs to tap.

4.2.3 Multifocality

Previous sections have highlighted that the main difference between TIEs and DIEs is in how far (in geographical terms) entrepreneurs are able to ‘look’ in order to seize business opportunities. By looking outside their country of destination, TIEs combine features and opportunities from several places for their business. By contrast, DIEs focus only on the opportunity structure of the country of destination. Both, however, refer mainly to the group of co-nationals.

As for the concept of multifocality, which refers to taking into consideration different places and groups, TIEs generally consider different places and one group, while DIEs generally

11 No differences between TIEs and DIEs emerge with regard to groups, even if we distinguish between Milan and Amsterdam, service-related and goods-related businesses, and between first and 1.5 generations.
focus on only one group in one place. Therefore, the main difference concerns places, or spatial scales. In this regard, TIEs are multi-focal while DIEs are mono-focal.

The following two sub-sections focus more in detail on the places and group aspects of multifocality.

**Places: being multi-focal and multi-scalar as key elements for TIEs to seize business opportunities**

In terms of places, the majority of entrepreneurs with a cross-border business (TIEs) are multi-focal, meaning that they take into consideration more than one (mono-focality) or two (bi-focality) places for their business (see also Figure 4.1, in Section 4.1). Taking into account multiple different places is fundamental for TIEs in order to create, identify and exploit opportunities. The interviewees’ stories clearly highlight the fact that two countries are often insufficient for the purpose of carrying on with their business. For example, M. (M07) has a company that trades in various products. He imports tea and bazaar goods (such as fabrics, sheets, household products, etc.) from China to Italy (for Moroccans and other immigrants) and he exports Italian products to various countries. These links are necessary for him to seize different opportunities located in Italy:

"My business consists in selling wholesale textile products, sheets, stuff for the house, and food, almost exclusively tea. I also export 'Made in Italy' goods to France... and also to some customers in Saudi Arabia. I also sell them in Spain and Morocco, but not as much. For textiles, I get the products from China and Italy. I sell Chinese products throughout Italy, to other Moroccans, Indians, Pakistanis, other foreigners. [...] There are two main features that have helped me: one is that 'Made in Italy' goods are very much in demand and are not particularly expensive. There are also many Moroccans who have needs and demands that I can meet." (M07)

M. takes advantage of two opportunities provided by the Italian context: the production of quality 'Made in Italy' products, and specific needs of immigrants and co-nationals. In order to exploit these he has to be in contact with other countries (e.g. France, China), and in doing this he connects together various opportunities from different places. The case of S. (A26), who owns a decorating company, also illustrates the importance of multifocality very well:

"My company provides flower ornaments and decorations for luxury hotels and restaurants. I decorate one hotel and a number of restaurants here in Amsterdam; some of my other clients are in Casablanca (hotels) and Antwerp (restaurants). In Belgium the luxury business is more developed than in the Netherlands. I also provide flowers to some hotels in Dubai. The flowers are from the Netherlands of course, and the decorations (like the glasses for the flowers) are made
Another product I import is Argan Oil from Morocco, which I sell in the Netherlands and Dubai. You see the triple connection: the Netherlands, Morocco and Dubai: Morocco for the Argan Oil, the Netherlands for the flowers, and Dubai because people there love luxury and excellent products. This triad is the key to my business and my success. Belgium is also important to me, but these three places are fundamental.” (A26)

A. would not have been able to seize opportunities in the Netherlands and Morocco without his business contacts in other countries. Therefore, multifocality in different places (and not only bifocality) plays a relevant role in identifying and seizing business opportunities.

Furthermore, TIEs take into account different spatial scales, and this means they are multi-scalar. This allows TIEs to identify and exploit business opportunities. They usually combine national features with local ones. For example, both M. (M05) and H. (M06), who own wholesale businesses of fruits and vegetables, import fruit from Spain because the quality of the goods is similar and the price is lower than in Italy: “I chose Spain: same quality and lower prices than Italy” (M05). They buy most of their produce in Barcelona, where one of the biggest European markets is located: “If you go to the market in Barcelona, you will be in awe; it's huge, with an incredible variety of goods!” (M06).

By contrast, DIEs take into account only opportunity structure and place characteristics in their country of destination. In other words, they are mono-focal. In most cases the main focus is the country of destination on a strictly local scale, so they are also mono-scalar. For example, S. (A02) has three bakeries in Amsterdam and he focuses on the clientele in the neighbourhood where each business is located: “This shop and the others are all located on the busiest streets of their particular neighbourhood” (A02). Another example is the relevant number of DIEs with an itinerant shop12 in Milan. During the week they go to different local markets in order to sell their products. In this case as well, the entrepreneurs focus on a local scale. Therefore, with regard to places, DIEs in comparison with TIEs are not only mono-focal but they are also mono-scalar, since their focus is on a strictly local level.

In summary, there are two main results that emerge from this sub-section13:

1. TIEs appear to be multi-focal rather than bi-focal, in contrast to what is stated in previous literature (Vertovec, 2009; Portes et al., 2002). Being multi-focal rather than just bi-focal allows them to seize opportunities that they could not otherwise take advantage of. In contrast, DIEs are mono-focal. This difference is also connected to the definition of DIEs as entrepreneurs focusing only on the domestic market (see Introduction and Chapter 3).

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12 An itinerant shop is one that moves to a different neighbourhood every day to sell its products in various local market places.

13 These are also confirmed if the sample is sorted by sector, generation, and city.
2. TIEs are also multi-scalar, meaning that they focus on several spatial scales, while DIEs are mainly mono-scalar, i.e. they focus on a local scale, mainly a single place, within their country of destination. This confirms past findings regarding entrepreneurs with a domestic business (see Portes et al., 2002), which underline that this kind of business focuses exclusively on the context of the city of destination.

Groups: the mono-focality, rather than multifocality, of TIEs and DIEs

As for groups, both TIEs and DIEs seem to be mono-focal, since they take into account mainly one group, that of their co-nationals. Indeed, TIEs focus on co-nationals or, at least on Arabic-speaking groups. Since other immigrants, especially, but not exclusively, those from North-Africa or Arab and/or Islamic countries, have similar needs, they usually ‘join’ Moroccans in creating an opportunity structure that Moroccan entrepreneurs can take advantage of. This happens because some goods (e.g. halal meat) are typical of more than one country (e.g. those of Islamic tradition), so entrepreneurs whose focus is primarily on co-nationals can often broaden their scope to include other ‘Arab-immigrant’ groups because they share similar characteristics:

“This business is mainly for Moroccans. They are my main customers. They are the people who are interested in these products. When I started I thought of my compatriots, because I decided to offer Moroccan clothes. But there are many people from other North-African and Arab countries who also come to my shop.”

(A18)

Their focus on this group allows TIEs to internationalise their business to many countries, because it creates many opportunities for them. In fact, co-nationals all around the world create opportunities for entrepreneurs with a cross-border business. For example, M. (M13) and M. (M16) export Arab salons to other European countries such as Belgium and France, since Moroccans who live there create a demand for these products.

DIEs also focus mainly on their co-nationals group. For example, M. (27) has a Moroccan restaurant catering mostly to a clientele of Moroccans. He started the business because he "wanted to exploit the habits of [his] co-nationals".

To conclude, no differences emerge between TIEs and DIEs with regard to groups, since they both focus mainly only on their co-nationals and are therefore mono-focal.
4.3 The role of structural embeddedness in seizing business opportunities: differences between TIEs and DIEs

In the previous sections, I have highlighted the fact that TIEs refer to opportunities located in different places (on different spatial scales). In contrast, DIEs refer mainly to the local opportunity structure of the city or the neighbourhood where they live within their country of destination. Consequently, TIEs seize opportunities in different contexts while DIEs mainly stick to a single context, that of destination.

However, it remains unclear how they identify and seize these opportunities, which is the central topic of this dissertation (see Introduction). In fact, an entrepreneur might seize certain opportunities for different reasons (see Chapter 2): thanks to some key contacts (relational embeddedness, see Chapter 5); because the entrepreneur is deeply embedded in a particular context (structural embeddedness); or due to certain individual characteristics (education, past work experience, etc., see Chapter 6). Therefore, it is also possible that entrepreneurs could consider different places and groups and exploit features of these without there being any particular structural embeddedness in these places and groups, for example by doing research on the Internet.

In this section, the topic of how entrepreneurs seize opportunities, which is the central theme of this thesis, is analysed from the point of view of the role of structural embeddedness. The role of relational embeddedness in seizing business opportunities is addressed in Chapter 5, whereas the role played by individual characteristics is examined in Chapter 6.

From the interviews, it emerges that the opportunities used by TIEs are often recognised and seized thanks to their structural embeddedness in groups and places. Direct knowledge and profound understanding of some groups and places allows them to identify and take advantage of many available opportunities. In particular, structural embeddedness in the country of destination, the country of origin, and the co-nationals group plays a relevant role. TIEs identify and seize business opportunities due to this structural embeddedness.

A good example of the importance of structural embeddedness is the case of L. (M11), who imports and retails Arab clothes for women. L. sells Arab clothes in Milan and, in particular, in a Milanese neighbourhood where immigrants are overrepresented. Most of her customers are women of Arab origin living in the neighbourhood. In this regards, it is interesting to analyse how L. became aware of this opportunity. She is a mother, and every day she takes her children to school. On these occasions she usually talks with other mothers in the neighbourhood. These are in large majority from North-African countries, because there is a high concentration of immigrants from these countries in the area. By talking with them, she understood the difficulty for these women to find Arab clothes and she decided to start a business to satisfy this need:

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The differences between TIEs and DIEs are also confirmed when the sample is sorted by market, sector, generation, and city.
"We lived here, so I knew that there where many Arab women who needed these dresses. I knew this because I am one of them. I also met many mothers when I took my children to school, and we talked about this problem. So when I started my business I knew very well that there was a demand for such clothes." (M11)

L. also has direct knowledge of the necessities of women from her country and from North Africa in general because she has the same needs. At the same time, since she lives in the neighbourhood, she understood that the composition of the neighbourhood was good for this kind of products. In other words, her structural embeddedness in both the Moroccan-women group and in her neighbourhood allowed her to recognise and exploit these opportunities.

In the case of DIEs, structural embeddedness seems less important in order to seize opportunities. However, there is a difference between DIEs in the mainstream and DIEs in the ethnic market.

For DIEs in the mainstream market, the fact of being structurally embedded in places or groups does not play a relevant role in identifying and seizing business opportunities. In most cases, the knowledge of the environment where they carry out their business does no matter. For example, W. (A29) owns a nursing company and provides assistance to various hospitals. She decided to do this because, "I studied to become a nurse but I like to be independent and to work in various environments. I really like Amsterdam and I really like living here, but I could also move elsewhere. I can do my job anywhere in the Netherlands... There are hospitals everywhere". In W’s case, understanding the particular conditions of the place where she lives and the groups she has contacts with is not particularly useful or relevant.

DIEs in the ethnic market take advantage of their structural embeddedness in the immigrant and co-nationals group, in their city and neighbourhood of destination. They exploit the opportunity represented by co-nationals or other immigrants who have particular needs to satisfy. For example, M. (M28) owns a phone centre. He decided to start the business because "there are many immigrants in Milan, and especially in the neighbourhood around Central Station, and they need to call their friends and relatives".

In the next two sub-sections, I focus more on the role of structural embeddedness, and I address structural embeddedness in places and structural embeddedness in groups separately. Following this, I will link the concepts of structural embeddedness and multifocality.

**Structural embeddedness in places**

Concerning structural embeddedness in places, TIEs usually take advantage of their embeddedness only in Morocco and their country of destination, as illustrated by this entrepreneur:

"Amsterdam and the Netherlands, I know the city and the country very well. Then I chose Morocco of course, because I don’t know that much about other countries in the world. I was born and raised in Morocco, my family still lives there and I"
go there on my holidays. When you do business abroad you can choose randomly, but that is like taking a leap into the unknown. I don’t know. You could wake up one day, decide to go to Cameroon and help some tribe with a water well... But for me, I feel more connected to Morocco, and better connected too. Because I know the country and so I can see the different possibilities.” (A09)

TIEs are directly embedded in their context of origin, and they use this structural embeddedness for their business: “I already had a good knowledge of Morocco and different places in Morocco” (A08). Since they lived there for a long time, they are very familiar with the structure of the market and the economic conditions of their country and city of origin.

This profound understanding allows them to recognise and seize business opportunities there, as illustrated by B. (M01), who exports Italian clothes, shoes and textiles to Morocco:

“I chose to deal with Morocco, because I know my country, and so it seemed like a good idea to me. I know the market conditions of Morocco, what I can trade and which goods are most in demand. I send clothes, shoes, etc., and I know that in Morocco some shops are going to buy what I send. I send the goods to my city in Morocco because I know the neighbourhoods very well, and I know the structure of the city, where the stores are, etc.” (M01)

Then, after they arrive in their country of destination they start to understand the country and they become embedded there. They are then able to act in the country of destination, and they identify and exploit opportunities there. This is illustrated by D. (M17), who owns a consultancy to export Italian machinery and other products:

“Since I have lived here in Italy for many years, I know the market and the products quite well. So I decided to offer ‘Made-in-Italy’ products, because they have a history of quality. I am a mediator between foreign and Italian companies. If the customer asks for certain products, I do market research, I collect relevant information and I send it to the customer. So I am not usually an expert on the products required, but I know how to search for information in the Italian market.” (M17)

In contrast, links with other countries are not often related to structural embeddedness in places, but they are due to other processes (related to personal skills, past working experience, brokerage of personal or working contacts, see Chapters 5 and 6). For example, relations with Arab countries are strictly linked to the fact that Moroccan entrepreneurs can speak Arabic (see Chapter 6).
Furthermore, the structural embeddedness of TIEs in places is situated on both a national and a local spatial scale (i.e. a city and a neighbourhood level).

On a national level, in order to identify and exploit opportunities for their business, TIEs take advantage of their embeddedness in their country of origin or destination as well as their profound understanding of their characteristics (e.g. the production system). For example, S. (A26) exploits his embeddedness in the Netherlands with regard to the production system of the Dutch flower sector, and B. (A14) takes advantage of his deep knowledge of the Dutch trucking sector (see Box 1). Consultancy businesses are connected to the opportunities provided by many companies that are interested in starting a business in Morocco. In this case they are aware of this thanks to their embeddedness in Dutch or Italian society and their business sectors. For example, A. (A11) and R. (A17) own a consultancy helping Dutch companies invest in the Moroccan market.

TIEs also utilise their embeddedness on a local scale (city and neighbourhood) to recognise, then seize, different opportunities. The use of structural embeddedness on a local scale usually reflects an understanding of the presence of a large group of immigrants in the city and, in particular, in specific neighbourhoods. For example, S. (M03) decided to locate his bazaar shop in an area where there is a high presence of immigrants: “Here there is the train station... It’s an area with a lot of comings and goings, with many immigrants”. Similarly, R. (A13) imports foods from abroad for a clientele of other immigrants. He realised that in some areas of the city there were many immigrants, and so he decided to open a restaurant for them in one of these areas.

TIEs therefore take advantage of their structural embeddedness in both the country of destination and that of origin, on a national and a local scale.

As for DIEs, they use their structural embeddedness only in their country of destination, and mainly on a local level. In particular, structural embeddedness on a local scale, usually in the neighbourhood or the city where the business is located, seems important when it comes to allowing entrepreneurs to identify and seize business opportunities. For example, M. (A01) recognised the opportunities in the neighbourhood where he located his shop because he was deeply embedded in it: “I live in the neighbourhood, and there was no fish shop before I started this one. Therefore, I didn’t even consider other neighbourhoods”.

To summarise, in order to seize business opportunities, TIEs exploit their structural embeddedness in both the country of destination and the country of origin, whereas DIEs only take advantage of their structural embeddedness in their country of destination.

**Structural embeddedness in groups**

In terms of structural embeddedness in groups, both TIEs and DIEs usually take advantage of their embeddedness in the co-nationals group. Since they are embedded in these groups, they are in a position to recognise their co-nationals’ needs and exploit these needs for their business. A paradigmatic example is that of the courier R. (M12). He transports all kinds of
goods to and from an area of Milan and his city of origin in Morocco. He decided to do this because he recognised an opportunity thanks to his embeddedness in the co-nationals groups: “I know that many people need to send and receive all kinds of stuff to and from Morocco, I know that very well, since I am a Moroccan immigrant too”.

An example of the DIE category is J. (A10), who decided to open a sport association for women because she noticed that:

“Moroccan women here didn’t actively participate in sports. My own experiences also taught me that a lot of women didn’t work either. So they needed to be involved in something... and this [the sport association] seemed like a good idea to me.” (A10)

The only difference between TIEs and DIEs is that TIEs use their knowledge of their co-nationals group also to be embedded in other countries. For example, some entrepreneurs export goods made in Italy to other European countries where there is a large presence of Moroccan immigrants. As already illustrated, M. (M13) sells Arab salons to other shops located in Europe (i.e. Belgium and the Netherlands) because there are many Moroccans who require them. He was aware of this thanks to his embeddedness in his co-nationals group.

Thus, due to their embeddedness in the Moroccan group, TIEs can seize available opportunities not only in their country of destination but also in other countries. In fact, they are able to identify and exploit such opportunities in both European countries and Morocco.

With regard to structural embeddedness in groups and the use made of this by Moroccan entrepreneurs, TIEs and DIEs show similar results even if we distinguish between different types of businesses. Indeed, in ethnic markets both TIEs and DIEs take advantage of their embeddedness in the co-nationals group, but neither TIEs nor DIEs use their embeddedness in the co-nationals group to do businesses in mainstream markets.

In conclusion, the previous literature (Drori et al., 2009; Lin, 2010) refers to TIEs as entrepreneurs who, because they are embedded in both their country of destination and their country of origin, consider entrepreneurial actions in two different institutional environments. Besides confirming this dual structural embeddedness, the results show that, due to their embeddedness in the co-nationals group, some TIEs are also embedded in the context of third countries.

**Structural embeddedness and multifocality**

If we connect the concepts of structural embeddedness and multifocality, it emerges that multifocal TIEs exploit structural embeddedness less than those who focus on only two countries (i.e only one country other than that of destination). In fact, in the sample, TIEs with a
“bifocal business” are more likely to take advantage of their structural embeddedness in places and groups for their business. This is due to the fact that they usually seize opportunities in Morocco, which is their fundamental link abroad. They base the entire business on their embeddedness in the country of origin: “I chose my country because in another country it would be impossible for me to know which products are suitable for the market” (M01).

In contrast, entrepreneurs who consider more than two places (i.e. multifocal entrepreneurs) make minor use of their structural embeddedness to be connected abroad. In fact, they also employ other ways (e.g. key contacts, market research or participation in trade fairs, see Chapters 5 and 6) and for this reason the role of structural embeddedness seems less relevant when it comes to identifying and exploiting opportunities abroad.

Thus, among TIEs two different patterns emerge. The first (i.e. the bifocal pattern) is more connected to structural embeddedness in Morocco and in the country of destination, while the second (i.e. the multifocal pattern) is characterised by a focus on a wider range of countries. In the latter case structural embeddedness is less important, since the links are usually with several countries and not only with Morocco (as explained above). The previously-mentioned example of R. (M12) perfectly fits the first profile. As already illustrated, he transports all kinds of products from a certain neighbourhood in Milan to his city of origin in Morocco. In this case, he is bifocal rather than multifocal, and his structural embeddedness is a key factor. He is structurally embedded in his co-nationals group, both in the city (and neighbourhood) of destination and his city of origin:

“I lived here so when I started I knew that there were many co-nationals from my city in this area; they needed to send and receive a lot of stuff to and from their relatives in Morocco. So I decided to start my business and to connect my city, which I know very well, with this area.” (M12)

F. (M18) provides an example of the second profile. He imports various goods from abroad (France, Germany, Turkey) and he sells these to a number of shops (in particular itinerant shops selling their fares in various local markets). He chose to have contacts with suppliers in certain countries because “some of my relatives already knew some of them. I selected the others because they are cheaper than others”. Therefore, no particular structural embeddedness in the countries where he gets the products was useful to F.

4.4 Different places and spatial scales, similar multifocality and structural embeddedness: dissimilarities among TIEs

In the previous sections, I underlined differences between TIEs and DIEs. However, as stressed in Chapter 3, entrepreneurs with a cross-border business (TIEs) differ on the basis of sector (consultancy or import/export businesses), market addressed (ethnic or mainstream), time of immigration (generation) and city where they have their business (Amsterdam or
These different features might cause dissimilarity in terms of opportunity structure, multifocality and structural embeddedness.

The first topic addressed was that of the different spheres of opportunity structure. In this regard, there is a noticeable difference between TIEs in mainstream or ethnic markets.

Ethnic businesses usually use opportunities created by their co-nationals’ modes of behaviour (i.e. needs and habits), combined with the concentration of this group in a given place (e.g. a city or a neighbourhood). For example, M. (M04), among other activities, imports various kinds of products for a clientele of co-nationals. He started this business in a specific area of Milan because “this was one of the areas where immigrants and Moroccans live”.

In contrast, businesses in a mainstream market are more likely to combine market and production features, namely a demand for certain products or services in a given place (e.g. Italian machinery for companies in the Arab peninsula) and the production of certain goods in another given place (e.g. high-quality machinery in Lombardy). For example, R. (M09), who exports industrial machinery for companies mainly located in the Arab peninsula, takes advantage of the fact that “in Lombardy and Italy there is the best high quality machinery. And many companies in the Gulf require those”.

A second theme to consider is that of the places and the groups involved. In this regard, TIEs are multi-focal (multiple places + one group) and multi-scalar (referring to several spatial scales). There are no relevant dissimilarities in this aspect. However, three main differences emerge concerning which countries are taken into account by TIEs:

- TIEs in the ethnic market are obviously more likely than TIEs serving a mainstream market to have contacts with Morocco, where they usually buy the products to satisfy the demand from their co-nationals.
- 1.5 generations have more frequent contacts with third countries than first-generation TIEs. In fact, in some cases, they internationalise the business without focusing on Morocco, but rather on the countries they need for their business. This happens because they seem more likely to remain in the mainstream market. Indeed, TIEs outside the ethnic market are more likely to trade with other countries. For example D. (M17), who is a mediator for companies that want to buy ‘Made-in-Italy’ goods, has business links with the Arab peninsula because “Made in Italy is very much in demand there”.
- The spatial scales where TIEs seize opportunities also vary between the consultancy and import/export businesses. TIEs with a consultancy business usually seize opportunities mainly on a national scale. For example, R. (A13) helps companies enter the Moroccan market, but “I don’t focus on any particular cities”. In contrast, those with import/export businesses usually take advantage of available opportunities both on a national and a local scale. For example, L. (M11) imports Arab dresses from shops located in various parts of Morocco and sells them to a clientele mainly located in a neighbourhood of Milan.
This is due to the type of business that is carried out. In order to satisfy clients who need information about a certain country, entrepreneurs need to have a broader view of the countries about which they provide advice. Import/export businesses, on the other hand, focus on particular places and they keep focusing on those.

A third issue analysed is the different use of structural embeddedness in places and groups to identify and seize business opportunities. In this regard, two different contrasting profiles clearly emerge. The first is connected to first-generation entrepreneurs with an import/export business (usually in the ethnic market). These TIEs are more likely to use their structural embeddedness to identify and seize business opportunities, as in the above-mentioned examples of M11 (retailer of Arab dresses) and M12 (courier between Milan and his city of origin in Morocco).

The second profile is represented by 1.5-generation entrepreneurs who own a consultancy business in the mainstream market. Entrepreneurs in this group do not often take advantage of their structural embeddedness in either groups or places. A paradigmatic example is that of C. (A25), who is in the solar energy industry and has business contacts with many different countries, especially those where the technology he developed is in demand:

"We did not choose Morocco or any specific country, because actually our focus is on the world. Our customers are from all around the world. A good number are from Asia, but we also have clients from North Africa, Morocco, Algeria, etc. In Europe we have the Netherlands of course, but also Italy, the UK, and Belgium, for example. We have customers in America. The concept is: if we have a potential customer we talk with him, and it is not important where he is located." (A25)

As for structural embeddedness in groups, which usually means in the co-nationals group, the dissimilarities are linked to the focus on an ethnic or a mainstream market. TIEs offering services and products to an ethnic market are logically more likely to take advantage of their direct knowledge and understanding of their co-nationals' needs to identify and seize business opportunities. TIEs that are not in the ethnic market, on the other hand, do not seize opportunities from being embedded in any group. With regard to structural embeddedness in groups, the market addressed is a more powerful discriminant than the difference between TIEs and DIEs.

A particular difference emerges when we compare Amsterdam and Milan. In the Italian case an important finding is that exploiting opportunities in other countries (mainly other European countries and Morocco) is often connected with structural embeddedness in co-national groups living there (and, to a lesser extent, in other groups), and consequently with a profound understanding of their customs and needs abroad. On the contrary, in Amsterdam entrepreneurs seize and exploit opportunities connected to their embeddedness in a group

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15 These two profiles do not encompass the whole sample, but they represent two contrasting extreme cases.
Structural embeddedness, multifocality and opportunity structure

- usually their co-nationals - mainly in the Netherlands. It is possible to speculate that this is due to the fact that there are more people with a foreign background in Amsterdam than in Milan (see Chapter 3), and so TIEs in Amsterdam tend to focus more on the internal market. This is confirmed by interviewees, who always stress the large number of co-nationals in the Netherlands and the opportunities represented by them: “Amsterdam is a large city, where a lot of Moroccans live. That’s my market!” (A05).

These results underline that TIEs differ in their use of opportunities and how they seize them.

4.5 Conclusions

Starting from the model presented in Chapter 2, this chapter addresses the relevance of three elements of that model: the spheres of opportunity structure used by Moroccan entrepreneurs, where opportunities are seized and by whom, and whether the opportunities are identified and seized thanks to a certain degree of structural embeddedness. In doing this, the concept of multifocality was also empirically illustrated.

Opportunity structure intensely shapes TIE entrepreneurial choices. In contrast, DIEs take less advantage of the conditions of the places where they develop their business, since it seems that opportunity structure strongly matters only to DIEs in the ethnic market.

To answer the first question addressed in this chapter (What spheres, places and groups contribute to creating opportunity structure for TIEs and DIEs?), it can be said that entrepreneurs take advantage of economic conditions (market for DIEs, and market and production for TIEs) together with certain modes of behaviour typical of their co-nationals. In contrast, political and institutional contexts seem less important (compared to other aspects) for both TIEs and DIEs.

Besides the focus on a single group (co-nationals) which characterises TIEs as well as DIEs, TIEs focus on more places (countries) and on different scales. Indeed, in contrast with what the previous literature underlined, TIEs are not only connected with Morocco but also with third countries, and they combine elements from different spatial scales. Their being both multi-focal and multi-scalar provides them with the fundamental resources to conduct a cross-border business. DIEs, on the other hand, focus mainly on their country of destination, usually on a strictly local scale.

As for research question number two (Do TIEs and DIEs differ in how structural embeddedness is relevant for the purpose of identifying and seizing business opportunities?), TIEs seem to differ from DIEs in their use of their structural embeddedness in places and groups. DIEs generally take advantage of their structural embeddedness in the country of destination and in the co-nationals group, whereas TIEs also use their structural embeddedness in their country of origin, and they exploit their embeddedness in the co-nationals group also to be connected to (and structurally embedded in) other countries (mainly European countries where Moroccans have made a home).

The chapter also stresses the differences between different types of TIEs, underlining that when it comes to structural embeddedness the most important difference is between TIEs in
the mainstream market and TIEs in the ethnic market. In this regard, two different, extreme profiles stem from the analysis. The first is characterised by the use of opportunities created by structural embeddedness in the co-nationals group and in Morocco (typically, entrepreneurs in the ethnic market), while the second is less connected to the entrepreneur’s origin and more to integration in the global arena (typically entrepreneurs in the mainstream market).

To conclude, this chapter has addressed the matter of which spheres create the opportunity structure utilised by both TIEs and DIEs. Moreover, it has underlined the issue of which countries and at what spatial scale these opportunities are taken advantage of. Lastly, considering the role of structural embeddedness, the first step towards understanding how opportunities are recognised and exploited has been accomplished. This subject will further examined in the next chapters through the analysis of social networks and relational embeddedness (Chapter 5), and individual skills (Chapter 6).
Summary

Findings

a. **Opportunity structure**: Opportunity structure is more relevant for TIEs than for DIEs (especially if we consider businesses in the mainstream market), who take less advantage of the structural conditions of where they conduct their business. The economic conditions of places and the modes of behaviour of groups contribute mainly to creating the opportunity structure that both TIEs and DIEs take advantage of. However, TIEs exploit both market and production features, while DIEs only exploit market features. Among TIEs, the main distinction is between TIEs in the ethnic market, who usually take advantage of opportunities created by their co-nationals’ modes of behaviour combined with the concentration of this group in a given place, and TIEs in the mainstream market, who are more likely to combine market and production features. Furthermore, TIEs (without any distinctions) are multi-focal and multi-scalar, since they are often linked to more than two countries (their country of destination, Morocco and/or third countries). They also usually refer to different spatial scales (local and national). TIEs use their multifocality and multiscalearity to link previously unconnected opportunities. As for DIEs, they focus mainly on the opportunity structure in their country of destination on a local scale, so they are mono-focal and mono-scalar.

b. **Structural embeddedness**: Structural embeddedness in both Morocco and the country of destination, as well as in the co-nationals group, is fundamental for TIEs to seize business opportunities. In contrast, DIEs generally take advantage of their embeddedness in the co-nationals group and in the country of destination. In this regard, two different extreme profiles emerge among TIEs. TIEs in the first profile are more likely to resort to structural embeddedness to seize business opportunities, whereas TIEs in the second category take less advantage of their structural embeddedness.

Conclusion

Thanks to their multifocality and their structural embeddedness in different places and in the co-nationals group, TIEs are able to identify, combine and seize opportunities from different countries and on different spatial scales. In contrast, DIEs mainly focus on, and are structurally embedded in, their co-nationals group in their country of destination, on a local scale.