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

Solano, G.

Citation for published version (APA):
CHAPTER 6

Individual characteristics and their effects on structural and relational embeddedness in identifying and seizing business opportunities

Do TIEs and DIEs differ in how individual characteristics are relevant for the purpose of identifying and seizing business opportunities? How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?

In Chapters 4 and 5, the role of structural embeddedness (in connection with opportunity structure) and relational embeddedness (as it relates to social networks) was addressed. In this chapter I will look at another element of the model introduced in Chapter 2, namely the individual characteristics of entrepreneurs. In particular, the present chapter shows how respondents take advantage of individual characteristics to identify and seize business opportunities, and examines the differences between TIEs and DIEs (Do TIEs and DIEs differ in how individual characteristics are relevant for the purpose of identifying and seizing business opportunities?).

Another objective of this chapter is that of investigating whether individual characteristics affect the role of structural and relational embeddedness when it comes to identifying and seizing opportunities for the business (How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?). In particular, the chapter clarifies whether the previously-underlined dissimilarities between TIEs and DIEs (see Chapters 4 and 5) remain valid when TIEs and DIEs with similar individual characteristics are compared, since such dissimilarities might be linked to different individual characteristics. For example, previous studies on immigrant entrepreneurship underlined the importance of social networks in the case of entrepreneurs who lack good individual skills (Bates, 1994; Min & Bozorgmehr, 2000; Merger, 2001; Chaganti & Greene, 2002; Kariv et al., 2009). As in Chapter 4, in order to provide an answer to these questions (in particular the first question) I use mainly qualitative data, showing the main trends that emerge from the interviews as well as illustrating examples of these trends.

According to the literature, different kinds of individual characteristics influence immigrant entrepreneurial activities.
First, the level of education and the number of training courses can help immigrant entrepreneurs manage their business and provide them with the ‘right’ profile to seize any available opportunities (Bates, 1994; Valdez, 2008; Kariv et al, 2009; Patel & Conklin, 2009; Beckers & Blumberg, 2013).

Second, past work experience, usually in the same sector, strongly influences immigrant entrepreneurial activities (Raijman & Tienda, 2000; Basu, 2001; Nee & Sanders, 2001; Portes et al, 2002; Brettell & Alstatt, 2007; Patel & Conklin, 2009; Ambrosini, 2012). Entrepreneurs usually have relevant work experience before starting the business, and this gives them better knowledge of the sector as well as some key contacts (such as suppliers and customers), which in turn puts them in a better position to seize opportunities in a more general sense.

Third, existing research illustrates the role of language skills for the business. The fact of knowing several languages, or the inability to speak a particular language (e.g. that of the country of destination) might lead entrepreneurs to implement businesses connected to co-nationals or linked with other countries (Senders & Nee, 1987; Min & Bozorgmehr, 2000; Raijman & Tienda 2000; Light et al, 2002; Masurel et al, 2002; Rusinovic, 2008a; Terjesen & Elam, 2009).

Fourth, family background in terms of entrepreneurial activities (for example whether or not the respondents’ parents were entrepreneurs themselves) also seems important for immigrant entrepreneurs because the family may provide them with motivation, useful experience and support for their business (Hount & Rosen, 1999; Basu, 2004; Constant & Zimmermann, 2006; Ambrosini, 2011).

Finally, another characteristic worth mentioning is pro-active attitude (for the concept of pro-activeness, see: Covin & Slevin, 1989; Lumpkin & Dess, 1996; Sandberg, 2002). This topic has rarely been studied in the literature on immigrant entrepreneurs (Tseng, 2000; Wang & Altinay, 2010; Altinay & Wang, 2011). In this regard, pro-activeness refers to “the ability to create opportunities or the ability to recognize or anticipate and act on opportunities (or dangers) when they present themselves” (Johannessen et al., 1999, p. 118).

Therefore, starting from the literature, the following individual characteristics were taken into consideration in the interview guide (see Chapter 3 and Annex 2): level of educational and training courses done; past work experience; entrepreneurial family background; linguistic skills; pro-activeness.

The chapter is organised as follows. Firstly, I present the emerging entrepreneurial paths linked to entrepreneur characteristics, and I also illustrate which paths seem more common for TIEs and DIEs (Section 6.1). Secondly, as in the previous chapters, I compare TIEs and DIEs in terms of the individual characteristics relied upon to identify and seize business opportunities (Section 6.2), and I investigate the dissimilarities among TIEs (Section 6.3). Thirdly, I revisit the findings discussed in Chapters 4 and 5 in light of the use of different individual characteristics, in order to clarify whether differences between TIEs and DIEs in term of structural and relational embeddedness remain constant for different paths and individual characteristics (6.4).
6.1 Entrepreneurial paths and individual characteristics

When analysing entrepreneurial trajectories and how respondents take advantage of individual characteristics to identify and seize business opportunities, four main patterns emerge. From the interviews it appears that the main divide in terms of individual characteristics is the use of past work experience or educational background. Therefore, paths are created from the combination (or presence or absence) of these two characteristics. For each path, I will briefly describe the relevance of such individual characteristics (see the introduction to this chapter) and show their distribution between TIEs and DIEs.

6.1.1 Different paths

The first path is mainly characterised by past work experience, while the second is linked to educational background and the third is characterised by a mix of the two. As for the fourth, it is represented by entrepreneurs who do not take advantage of either past work experience or educational background. Table 6.1 presents information on the different individual skills for each path.

Path #1 - Experience building entrepreneurs: ‘I owe it all to my work experience’ (N=39)

One group of entrepreneurs identified and took advantage of opportunities mainly thanks to their past work experience, sometimes due to their entrepreneurial family background because their family had allowed them to develop work experience in the sector. Respondents in this group exploit their ‘hands-on’ knowledge and do not take advantage of what they learnt in school. This is connected to the fact that this group (both TIEs and DIEs) has low educational qualifications (see Table 6.1). Training courses seemed less important for entrepreneurs of this category. They usually acquired the skills they need for the business on the job, and therefore needed to attend training courses only occasionally (12/39). Entrepreneurial background does not seem to be a key factor, but it is often linked to the use of past work experience for the business.

Two examples can better clarify the path of entrepreneurs in this group. N. (M14), a TIE who imports herbs and other products (such as foods) to sell to ethnic shops in Italy, started working in the food sector as an employee, and later on he decided to try on his own, "As soon as I arrived in Italy I started working in the food sector as an employee with some of my co-nationals, and then, when I got my visa, I decided to start my own business". Since he started a business in the same industry, he knew both the persons and the products. "When I started, I already had all the right contacts; I knew how it worked and where to go for the products". In other words, due to his past work experience he knew the sector and was able to identify and seize business opportunities.

An example of DIE in this group is H. (M38), who owns a café. After various jobs in Italy, he started working in a café. This experience was very useful because it allowed him to become a pro-

---

1 Pro-activeness is not included in the table, since it was measured qualitatively.
icient barman. He was later able to start his own business thanks to the skills he acquired during this previous job. In addition, since he started in the same neighbourhood as that of his previous job, he already had some customers: “I was already known here, so I already had some clients”.

**Path #2 - Education-driven entrepreneurs: ‘My studies allowed me to…’ (N=7)**

Another group, made up of TIEs in the sample, mainly took advantage of their educational background. Entrepreneurs in this group were able to identify and exploit available opportunities because they had the 'right' skills to do so thanks to their qualifications. In particular, this group is characterised by a very high level of education (university degree) often on topics related to management or business (e.g. Economics). And apart from their degree, in order to further develop their skills for the business, they made considerable use of other training courses (6/7, see Table 6.1). For example, R. (A17), who graduated in Business, attended a course on commercial and organisational skills in order to develop his consultancy agency. Compared to other paths, this one is characterised largely by a pro-active attitude. Indeed, since they often cannot rely on direct past work experience in the sector, they need to invest more in individual research and initiatives.

One such entrepreneur is S. (A26), who owns an import/export business that deals in fresh flowers and decorations, as well as argan oil for luxury hotels and restaurants in the Netherlands, the Arab Emirates and Belgium. He is able to manage his business due to his studies in International Business: “I took International Business at the Europort Business School; it is a very dynamic school and I learned a lot. It was fundamental for this business”.

**Path #3 Experience-education merger entrepreneurs: ‘Work experience or education? Actually a mix of both’ (N=19)**

A third group relied on a combination of past work experience and formal degree to identify and seize available opportunities. They usually had a high level of education (both TIEs and DIEs) and had also attended other training courses to acquire further skills that helped them run their business (TIEs: 7/9; DIEs: 8/10). Having an entrepreneurial family background also played a relevant role (Table 6.1), by providing previous understanding of how to run a business: “My parents helped me a lot, they had a business and they taught me many things for my own business” (M04).

As an example, B. (M14) is a TIE who “worked for six years as an account manager in two trucking companies, both times in a department dealing with the Middle East and North Africa”. Thanks to his past work experience he had developed “the knowledge and the portfolio of clients” to start his own consultancy agency in the same field. He is now a consultant for companies who want to buy trucks and other vehicles from Germany and the Netherlands. However, his education also allowed him to take advantage of his past work experience: he studied Business and this helps him manage his business: “I have a professional degree in Business; my degree has been very useful since that’s where I learned how to run a business”.

142
An example of DIE in this group is W. (A29). She has a nursing business in mental and social care, and she works in several hospital wards and other healthcare settings. She studied Nursing and then she got a post-graduate Masters in Health Sciences. At university, she did two internships, and then she started working as an employee for a private company in the field. Thanks to her education background and her past experience, she was able to start her own business.

These two examples underline the difference between TIEs and DIEs from this path. Apart from past work experience, TIEs tend to acquire the skills to run a business at school (*business skills*) and, then to specialise in a given field through work experience as employees. In contrast, DIEs obtain their degree, then usually start working as employees in the field of their studies (*sectorial skills*), and finally decide to become self-employed in the same field.

**Path #4 Entrepreneurs by chance: ‘I simply decided to...’ (N=5)**

In some cases entrepreneurs (DIEs exclusively in the sample) simply decide to start a business in a given field without having any particular individual characteristics that they can take advantage of. Entrepreneurs of this path have a low level of education and generally do not rely on either training courses or entrepreneurial family background in order to gain the skills needed for their business.

A good example of this pattern is T. (M23), who is an itinerant retailer of textiles. As soon as he arrived in Italy, he started working as workman in a marble company. He decided to start his own business in order to have a more profitable and less demanding job. To do that, a friend apprised him of certain opportunities: "he told me that I could make good money with this kind of business". So, he helped him with all the information about "how to do the job and how to behave".

<table>
<thead>
<tr>
<th>Path</th>
<th>Educ. qualification</th>
<th>Entrepr. fam. back.</th>
<th>Training courses</th>
<th>Number of languages known</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>#1 Experience building (N=39)</td>
<td>14</td>
<td>25</td>
<td>17</td>
<td>22</td>
</tr>
<tr>
<td>#2 Education-driven (N=7)</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>#3 Exp-edu merger (N=19)</td>
<td>1</td>
<td>18</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>#4 By chance (N=5)</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

Note. Low level of education: lower than a high-school degree; high educational qualification: high-school degree or above.

### 6.1.2 Different paths and types of immigrant entrepreneurs

If we connect the paths and the types of immigrant entrepreneurs (TIEs and DIEs), we see that partially different patterns characterise TIEs and DIEs (Table 6.2a) in the sample. Both
TIEs and DIEs strongly rely on past work experience. Therefore, the most relevant path seems to be the first (#1), followed by #3 (i.e. a mix of education and past work experience). TIEs also present cases of entrepreneurs relying solely on their education, while DIEs sometimes do not take advantage of either education, or work experience. These ‘outlier’ patterns perfectly point to the differences between TIEs and DIEs. Indeed, TIEs present some more virtuous paths whose education allow them to be entrepreneurs. This seems to be a high-skilled group. C. (A25) is a typical example: he studied Engineering in the Netherlands and then, due to his expertise in the field, he started a very successful and innovative solar energy company.

Table 6.2a | Paths and types of immigrant entrepreneurs - TIEs and DIEs

<table>
<thead>
<tr>
<th>Path</th>
<th>TIEs</th>
<th>DIEs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Experience building</td>
<td>19</td>
<td>20</td>
<td>39</td>
</tr>
<tr>
<td>#2 Education-driven</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>#3 Exp-edu merger</td>
<td>9</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>#4 By chance</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>35</td>
<td>70</td>
</tr>
</tbody>
</table>

Association V=0.415** p<0.001

By sorting the sample for city of residence, business sector and market, and generation (Table 6.2b), the main difference emerges in regard to business in the mainstream market. TIEs in the mainstream market are less likely to use their past work-experience to recognise and seize business opportunities than DIEs in the same market.

This highlights two different patterns for approaching the mainstream market. DIEs usually start out as employees and then decide to set up a business in the same sector/market. Therefore, they rely strongly on their work experience. For example, B. (M30) says, “after various jobs, I worked in two cafés. There, I learned the job and so I decided to start my own café. My past work experience was fundamental”. On the contrary, TIEs usually enter the mainstream sector to take advantage of their educational qualifications. This is the case for many TIEs who own a consultancy business after they studied Business (e.g.: A., A11; B., A14; R., A23).

Table 6.2b | Paths and types of immigrant entrepreneurs - TIEs and DIEs

<table>
<thead>
<tr>
<th>Path</th>
<th>Amsterdam</th>
<th>Milan</th>
<th>1 generation</th>
<th>1.5 generation</th>
<th>Ethnic market</th>
<th>Mainstream market</th>
<th>Goods sector</th>
<th>Service sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TIEs</td>
<td>DIEs</td>
<td>TIEs</td>
<td>DIEs</td>
<td>TIEs</td>
<td>DIEs</td>
<td>TIEs</td>
<td>DIEs</td>
</tr>
<tr>
<td>#1</td>
<td>6</td>
<td>6</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>15</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>#2</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>#3</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>#4</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td>15</td>
<td>10</td>
</tr>
</tbody>
</table>
Some dissimilarity also emerges among TIEs (Table 6.3)³. When analysing the differences among TIEs, generation is the most relevant factor producing differences in characteristics. Indeed, 1.5 generations seem more likely to rely on their education, and thus to fit the second path. Generally, these 1.5 generations are part of the mainstream market and they own a consultancy. However, the key factor seems to be their generation. Indeed, during the interviews it emerged that 1.5-generation respondents have generally studied to become entrepreneurs, and they are characterised by a strong entrepreneurial attitude. This is the case of S. (A23), who owns a mediation and sales-assistant consultancy. As many other TIEs in this category, he states:

“My dream has always been to become an entrepreneur but for various reasons I never succeeded. I had some good skills, but not the entrepreneurial idea. Then I did some research and I saw some possibilities in the sales sector. So I started the consultancy.” (A23)

<table>
<thead>
<tr>
<th>Path</th>
<th>Amsterdam</th>
<th>Milan</th>
<th>1 generation</th>
<th>1.5 generation</th>
<th>I/E</th>
<th>Con.</th>
<th>Mainstr. market</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Experience building</td>
<td>6</td>
<td>13</td>
<td>14</td>
<td>5</td>
<td>16</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>#2 Education-driven</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>#3 Exp-education merger</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>#4 By chance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>20</strong></td>
<td><strong>20</strong></td>
<td><strong>15</strong></td>
<td><strong>25</strong></td>
<td><strong>10</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

6.2 The characteristics of TIEs compared to those of DIEs: being multilingual, being more pro-active and having a more business-oriented education

Apart from the different path, TIEs and DIEs differ with regard to four elements: education and qualifications, linguistic skills, entrepreneurial family background, and pro-activeness.

6.2.1 Education

Although the qualifications of TIEs and DIEs in the sample do not differ very much⁴, TIEs seem to take more advantage of the subject of their degree (e.g. economics, management), and this degree is usually linked to their business. In particular, they exploit degrees having to do

---

³ In both Tables 2 and 3, no association measures were calculated (apart from that concerning the comparison between TIEs and DIEs) due to the small number of interviews. The values are merely indicative of the tendencies in the sample.

⁴ DIEs: 11 low, 24 high; TIEs: 8 low, 27 high. See also Chapter 3.
with ‘managerial skills’ to run their business and, consequently, to seize available business opportunities. For example, R. (A17), who owns a consultancy business for companies wishing to expand their activities into Morocco, studied Management at the Hogeschool of Amsterdam. Thanks to his education he acquired the right skills to run a business: “I focused on retail management, I learned a lot about how to develop as an entrepreneur”. Therefore, when he decided to start his own business he took advantage of his degree: “I applied that knowledge when I started my business”. Another example is A. (A11), who helps people and companies set up new businesses or new branches of existing companies. He studied business, and in order to further increase his skills, he attended many courses in consultancy skills (e.g. mediation).

By contrast, as already underlined by other studies (Chiesi & Zucchetti, 2003), DIEs seem to be favoured by the fact of having a degree, but the subject of this degree does not appear to be relevant. The degree provides them with the forma mentis and the basic skills to run their business. For example, T. (M22), who owns an itinerant retail business of household products, says, “My studies were not related to the business. But it has been useful for calculating and deciding the prices. If you haven’t studied, how can you understand how things go? People want to fool you. You have to be aware and to have the mind to make the right decisions.” (M21)

Since connecting more countries is also more difficult, TIEs usually need more managerial and business skills than do DIEs5.

6.2.2 Linguistic skills

Furthermore, TIEs and DIEs in the sample differ in their linguistic skills6,7. In particular, apart from Arabic/Berber and Italian/Dutch, TIEs and DIEs in the sample are different in the number of languages they can speak. Although both TIEs (27/35) and DIEs (23/35) are generally able to speak at least one other language, a relevant part of TIEs (14/35) know two or more languages. By contrast, only a number of DIEs speak more than one language (8/35).

Following Gerhards (2012), it seems that TIEs have a more ‘transnational linguistic capital’, meaning that they know more languages apart from their mother tongue and the language of their country of destination. Having a ‘transnational linguistic capital’ allows them to be involved in cross-border (transnational) entrepreneurial activities. Indeed, fluency in several languages provides them with the skills they need to maintain links with countries other than just Morocco (which are fundamental, see Chapter 4).

---

5 This is confirmed also by sorting the sample by city, generations, markets and sectors.
6 This tendency is also generally confirmed for Moroccan entrepreneurs in both mainstream and ethnic markets, in Milan and Amsterdam, across different sectors and generations.
7 For the business TIEs usually use Arabic/Berber (32/35), Italian/Dutch (31/35) and one or two others languages - usually English (19/35) or French (21/35), but also Chinese, German or Spanish (9/35). By contrast, DIEs use Italian/Dutch (31/35) or Arabic/Berber (32/35) and in fewer cases English (13/25) and French (17/35). English and French are spoken only occasionally, and in most cases (28/35) the main languages spoken is that of the country of origin. Together with that of the country of destination, the most important language is Arabic.
It would be easy to hypothesise that these different language skills are connected to the cross-border activity itself, namely that TIEs have developed their language skills while running their business (‘learning by doing’). However, the findings contradict this conclusion. There is a reverse causality. TIEs usually knew several languages before starting a business: “I can speak several languages. I always thought they were important, and I always invested in languages, even before opening my business” (A09). They usually learned these before the start-up of their business (at school, thanks to past work experience or following personal interest). For example, R. (M09) exports Italian machinery to companies outside Italy. To handle the business, she needs to speak Arabic, English and Italian. Before starting the business, she had some experience with all three languages because she worked for an airline company:

“I was working at the airport… so I spoke several languages, English mainly and also Italian, of course… and I am native speaker of Arabic. So I have the perfect profile for this kind of business.” (M09)

This allows her to carry out her business without any problems and to exploit the opportunity provided by the request for Italian machinery by companies located abroad.

TIEs and DIEs differ also in how they take advantage of their language skills. TIEs use these skills to internationalise their business, and identify and seize opportunities abroad. For example, F. (M18), who imports household products, states that “knowledge of English is fundamental for me; when I go abroad I use it and without it I would not be able to buy products from abroad”.

By contrast, DIEs use their linguistic skills to merely seize opportunities in the country of destination (e.g. with co-national groups requiring certain products). For example, due to his knowledge of Arabic, A. (A28), who owns a grocery store, was able to ‘take’ the co-national market: “It’s not that I don’t want to communicate in Dutch, but speaking Arabic makes it easier to talk to my co-nationals, and many of my customers prefer that”.

More in particular, the most important language for TIEs is Arabic. It allows them to take advantage of the opportunities available in both Morocco and other countries, such as MENA countries. For example, A. (M40) has a consultancy business helping companies enter the market of MENA countries. During the interview, he underlined that “to help companies that want to enter new markets I mainly exploit my knowledge of the Arabic language. It is fundamental”.

Another relevant language is English, which has become, as for all kinds of businessmen, the international language for Moroccan TIEs. This is particularly important for import/export businesses that also import products from non-Arabic-speaking countries. For example, M. (M07) has an import/export business with links to China, France, Morocco and Spain, among other countries. In particular, he imports green tea from China, which he then sells to
Moroccans in Milan. “My main contacts are with China... I mainly speak English with them”. If he did not speak English, he would not be able to import tea from China.

6.2.3 Pro-activeness

TIEs seem to have greater spirit of initiative than DIEs. This pro-activeness allows TIEs to identify and seize opportunities, and to create new ones. For example, M. (M04) imports and exports many products such as textiles, kitchens, and bazaar products. When he decided to open a shop in Milan, he did some market research to find the right area where to set up shop. In order to find which suppliers to import the products from, he did the same:

“When I was looking for products or a company, it was a problem... you know, there was no Internet back in those days. I used the phone book, and there were also some numbers you could call and ask for information. I even bought a book in France with all the companies in the world! I also went to the various consulates. They did the research to find the right companies for me.” (M04)

Another example is that of R. (A13), who imports food to the Netherlands for a clientele of other immigrants. He started the business because he really wanted to be an entrepreneur. When he first had his entrepreneurial idea, he had no knowledge of the food sector, but he started to conduct research and go to trade fairs, and he finally built the ‘right’ network for the business he wanted to start:

“I had no experience in this field, but I had this entrepreneurial blood, and I wanted to start a business with some connection with the immigrant community. So I had the idea of importing products and I started going to exhibitions and international food fairs and I made the contacts!” (A13)

By contrast, DIEs generally take advantage of the opportunities they already know or that they can easily have access to. For example, M. (A01) decided to start a fish shop because, "I lived in the neighbourhood and there was no fish shop yet". He knew this thanks to his direct knowledge of the area, and he did no further research to identify the right location for a shop: “I knew that the former owner wanted to sell this place and so I just bought it”.

6.2.4 Entrepreneurial family background

An entrepreneurial family background is important for both TIEs and DIEs. For example, the majority of TIEs interviewed (22/35), and a relevant group of DIEs (14/35), have an entrepreneurial family background. However, it is possible to identify two different profiles starting from this entrepreneurial family background, one recurrent in TIEs, and the other characteristic of DIEs.

DIEs seem more likely to follow the family experience. They sometimes just continue the family business or they start a new one in exactly the same sector. For example, S. (M21) has
an itinerant retail business selling fruits and vegetables. His father has a farm in Morocco, and so S. knows “how fruits and vegetables grow, what are the seasonal ones. I can recognise the good ones. I know this, because my father is in the same business there. So I decided to run this business”.

TIEs start from the family path but usually go beyond. They tend to remain in the same sector as their relatives, but they also try to expand their business. This expansion is often connected to an internationalisation of their business. This allows TIEs to have a deeper knowledge of the sector and, sometimes, of the country of origin, which helps them identify and seize available opportunities abroad when they decide to internationalise the business.

For example, F. (M18) imports household products and sells them to other shops. His parents started the business in itinerant form, but then F. decided to go one step further and started importing the products directly from abroad and selling them to other businesses:

“*My parents used to have a stand, an itinerant retail stand. It was the same thing but without the storehouse. I am carrying on the business of my parents, but when I started managing the business, I decided to develop this by adding a storehouse, and to import the products from abroad. I just improved my parents’ business.*” (M18)

To summarize, TIEs and DIEs rely on similar characteristics for their business, i.e. education, past work experience, family background and pro-activeness. However, the quality of these differs. TIEs seem to have a more business-focused education and better linguistic skills. They are more likely to take advantage of their educational background, and they tend to speak and use more languages. By contrast, DIEs rely on more general qualifications and they know fewer languages. Furthermore, TIEs and DIEs tend to differ in their entrepreneurial attitude in that TIEs are more pro-active than DIEs.

These results suggest a final consideration. Moroccan entrepreneurs with better individual characteristics tend to start cross-border businesses that go beyond the majority of immigrant entrepreneurial experiences, which are often local, small-trade and low-profit. By contrast, Moroccan entrepreneurs with lower-level individual characteristics are more likely to be satisfied with starting more ‘traditional’ businesses, e.g. domestic businesses.

### 6.3 Different profiles among TIEs

Having analysed the differences between TIEs and DIEs, this section now focuses on the dissimilarities among TIEs. As in Chapters 4 and 5, I compare: import/export businesses and consultancies; businesses addressing conventional and ethnic markets; businesses in Amsterdam and Milan; first- and 1.5-generation respondents.

---

8 Although this topic is not addressed in the thesis, interviews suggest that cross-border businesses are more profitable ($\tau =0.246^*$) and more resistant to the economic crisis.
The main differences emerge with regard to import/export and consultancy businesses and, to a lesser extent, between businesses in the mainstream and in the ethnic market\(^9\).

### 6.3.1 Import/export businesses vs. consultancy ones

If we compare TIEs owning import/export (N=25) and consultancy (N=10) businesses, TIEs with a consultancy agency generally have a higher level of education and linguistic skills. By contrast, TIEs in the import/export sector seem more likely to rely on their entrepreneurial family background. Finally, no marked dissimilarities emerge among TIEs with a consultancy business or an import/export business in terms of training courses, past work-experience and pro-active attitude.

The educational level is generally higher in the consultancy group. There is no one with a low degree, and almost all of the interviewees have a university degree (0 low, 10 high). By contrast, the import/export group is characterised by more heterogeneous educational levels (8 low, 17 high). In the consultancy group, the degree is always connected to the business, i.e. they usually have a degree in Business or Economics (or other related fields). Consequently, this is more useful for the business and for seizing business opportunities than in the import/export group.

TIEs who own a consultancy business are also more knowledgeable in in terms of linguistic skills. They usually know several languages. Apart from their mother tongue and the language of their country of destination, TIEs in the consultancy sector usually know two other languages (English and usually French, German or Spanish), compared to one for TIEs in the import/export sector. TIEs who own consultancy businesses are also more fluent in these languages. In particular, they have a better command of the language of the country of destination (import/exports, 6; consultancies, 7\(^{10}\)) and English (import/exports, 6; consultancies, 7).

TIEs differ also in the languages they employ for business. Import/export businesses are more likely to use Arabic for their business, and other languages less. In contrast, consultancies also take advantage of their command of other languages and, in particular, they always turn to English for their business. This is linked to the fact that import/export businesses are more likely to be in the ethnic market, so Arabic is bound to be more important for them.

Import/export entrepreneurs are more likely to have, and take advantage of, an entrepreneurial family background. In particular, the relevance of this background in the two categories seems different. Even though TIEs with a consultancy business have some entrepreneurs in the family, they do not necessarily follow in their footsteps. Relatives who are entrepre-

---

\(^9\) No relevant dissimilarities emerge among cities and generations. Evidence of this is not reported here. However, data are available upon request.

\(^{10}\) The evaluation of the linguistic skills (‘how much are you fluent in...?’) were based on a self-evaluation (0 - not at all; 7 - very fluent).
neurs are important for advice on how to run a business, but this does not affect the business concretely nor does it influence the fact of identifying and seizing opportunities. For example, S. (M24) has a consultancy business and provides information to people who want to go to, or to have contact with, Morocco (be it for holidays or for business). His father owns a store selling household products, and he says he benefited from this: "when I started I knew many useful things thanks to my father, who has a shop". However, he is not in the same field as his father.

Conversely, entrepreneurs with an import/export business more often set up a business in the same field as the family business. For example, M. (M05) and H. (M06) both own wholesale fruits and vegetables businesses. They both followed their parents’ example: "My father has an itinerant fruits and vegetables stand. Being familiar with the field was very useful" (M05).

### 6.3.2 Ethnic vs. mainstream market

TIEs in ethnic (N=20) and mainstream (N=15) markets display similar differences in comparison to import/export and consultancy businesses. This happens because, as already mentioned, these categories partially overlap (see Chapter 3). In particular, entrepreneurs serving a mainstream market have a higher educational background than those selling to an ethnic market, who appear to be linked more to their entrepreneurial family background. TIEs who own a business in the mainstream market have a slightly higher level of education than those in ethnic markets. Indeed, most have a university degree (1 low, 16 high). As for TIEs with businesses in the ethnic market, they are more likely to have a lower level of education (7 low, 11 high).

A family background of entrepreneurship seems more important for TIEs serving an ethnic market than for mainstream TIEs. Indeed, the latter have a greater need to know Moroccan products and the Moroccan market, and if it so happens that a relative is in the same market, they can follow in their footsteps. For example, L. (M11) owns a shop selling dresses to Arab women. She already knew the sector because her mother is a tailor in Morocco. The fact that she already had a certain degree of experience in the field allowed her to seize the opportunities offered by women requiring this kind of apparel in Milan. N. (A08), who sells Arabic dresses and clothes, is continuing in his father’s footsteps, and says that "he was in the business for many years and he helped me a lot".

To sum up what emerges in this section, the main differences occur between TIEs in different sectors (consultancy vs. import/export business). Entrepreneurs who own such cross-border businesses (consultancy and import/export) present quite different profiles, in that consultancy owners appear to be better skilled. In a way they can be viewed as similar to high-skilled immigrants, who move to another country with a set of individual characteristics that are fundamental for getting a job (Bhagwati & Hanson, 2009; Rajan, 2015). The literature underlines that immigrant entrepreneurs often have to deal with scarce resources (Volker et al., 2008; Ambrosini, 2011). However, in the case of consultancy businesses this does not appear to be true, as they apparently start out (mainly thanks to education) with the ‘right’ char-
acteristics to identify and seize business opportunities. As in Chapters 4 and 5, the analysis of individual characteristics once again highlights the fact that the profiles within the category of immigrant entrepreneurs with a cross-border business (TIEs) are non-homogeneous.

6.4 Structural embeddedness, relational embeddedness and individual characteristics

Chapters 4 and 5 illustrated the use of structural and relational embeddedness by Moroccan entrepreneurs to identify and seize business opportunities. Previous sections of this chapter also underlined the importance of certain individual characteristics. Furthermore, the literature suggests that the role of embeddedness in the business can vary according to entrepreneur characteristics. In particular, studies on both the labour market and immigrants (Corcoran et al., 1980; Boheim & Taylor, 2001; Battu et al., 2011) as well as others on immigrant entrepreneurship (Bates, 1994; Min & Bozorgmehr, 2000; Merger, 2001; Chaganti & Greene, 2002; Kariv et al., 2009) stressed that only immigrant entrepreneurs with limited individual resources - especially a low level of education - rely on personal contacts for their business, whereas people with a different background and social status can reach different kinds of contacts (Lin et al., 1981). Moreover, since this thesis introduced the concept of structural embeddedness, no past studies show whether individual characteristics and skills affect it. Therefore, this section recalls the findings on structural and relational embeddedness based on the different paths underlined in Section 6.1 and the following individual characteristics that influence the identification and seizing of business opportunities: education, past work experience, and entrepreneurial family background. However, I decided not to consider linguistic skills and pro-activeness.

In Section 6.1 four different paths concerning the use of individual characteristics were illustrated. Two of these (#1 and #3) include both TIEs and DIEs and they allow a comparison between these two types of immigrant entrepreneurs. For this reason, I will limit my analysis to these two paths. The objective of this section is thus to understand whether the different paths in terms of individual characteristics also affect the dissimilarities between TIEs and DIEs in the role of structural and relational embeddedness when it comes to seizing available opportunities.

6.4.1 Structural embeddedness

When comparing TIEs and DIEs as to paths, the results are not unlike the ones underlined in Chapter 4. In order to identify and seize business opportunities, TIEs are more inclined to

---

11 I decided not to include linguistic skills because I do not consider it theoretically interesting to analyse them, and taking them into account would be confusing. For example, linguistic skills might be connected to structural embeddedness in places: since entrepreneurs know several languages, they are embedded in several different places. However, this correlation could also be due to other reasons, e.g. they could be embedded because they lived in a given place and they speak the language. Therefore, I decided not to consider linguistic skills.

I also chose not to consider pro-activeness because, since I have not set scales or specific questions in advance to evaluate pro-activeness, I thought it too subjective and too arbitrary to evaluate whether single interviewees were pro-active or not.

12 Structural embeddedness was defined as follows in Chapter 2: the profound and direct understanding of the features of places and groups. The concept was then empirically illustrated in Chapter 4.

13 Relational embeddedness was introduced in Chapter 2 and empirically addressed in Chapter 5. It refers to personal contacts and the relations with and among these.
take advantage of embeddedness in places than are DIEs. Moreover, in terms of markets, TIEs and DIEs do not differ as to the role of structural embeddedness in groups.

However, differences between TIEs and DIEs in the use of structural embeddedness might be influenced by individual characteristics rather than by different profiles. An analysis of the interviews shows that individual characteristics do not produce relevant variations in the differences between TIEs and DIEs, even when differences in education, past work experience, and entrepreneurial family background are considered.

As underlined in Chapter 4, in terms of structural embeddedness in places, TIEs are more likely to take advantage of their direct knowledge of the characteristics of places than DIEs. Similarly, structural embeddedness in groups does not differ very much between TIEs and DIEs. Both groups mainly take advantage of their embeddedness in the co-nationals group and their knowledge of said group’s characteristics. Just to provide a few examples: R. (M12), a low-educated courier (TIE) between Italy and Morocco, exploits his structural embeddedness in Milan, in his city of origin in Morocco and with Moroccan immigrants. M. (A19) is also low-educated, but he is a DIE. When he opened his grocery he not exploit his embeddedness either in the co-national group or in any places.

6.4.2 Relational embeddedness

Individual characteristics and previously underlined entrepreneurial paths might make for certain dissimilarities between TIEs and DIEs when it comes to relational embeddedness. In particular, the following results emerged in Chapter 5:

- DIEs’ business contacts are more homogeneous in terms of groups (nationality and country of residence) and more spatially concentrated in the city of destination than TIEs’ contacts (which are more of a network composition)
- There are no particular differences between TIEs and DIEs regarding the ego-alter relationship or the strength of this relationship (weak/strong ties and network composition).
- DIEs’ business networks are smaller and more concentrated than TIEs (network structure).

These findings still hold in terms of individual characteristics and paths (Table 6.4, 6.5 and 6.6). TIEs and DIEs differ in terms of network structure and composition even when individual characteristics are taken into account.

In particular, findings on network composition are confirmed, with two exceptions (Table 6.4):

- The finding that DIE alters are more concentrated in the city of destination in comparison with TIEs holds for all personal characteristics, with the exception of Experience-education merger Entrepreneurs.
- No differences emerge between TIEs and DIEs concerning the type of ego-alter relationship in the group with an entrepreneurial family background. As illustrated in Chapter 5, TIEs are usually more likely to have relatives in their networks than DIEs, but this logically also happens with DIEs with an entrepreneurial family background. For this reason, no differences between TIEs and DIEs emerge.
Table 6.4 | Business network composition: differences between TIEs and DIEs with similar individual characteristics

<table>
<thead>
<tr>
<th>Groups</th>
<th>ConcCity</th>
<th>Relationship</th>
<th>Tie strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole sample</td>
<td>V=0.440**</td>
<td>τ =0.155**</td>
<td>V=0.195**</td>
</tr>
<tr>
<td>Path 1: Experience building</td>
<td>V=0.431**</td>
<td>τ =0.227**</td>
<td>V=0.173**</td>
</tr>
<tr>
<td>Path 3: #3 Exp-edu merger</td>
<td>V=0.482**</td>
<td>τ =0.075</td>
<td>V=0.222**</td>
</tr>
<tr>
<td>Education: high level</td>
<td>V=0.456**</td>
<td>τ =0.144*</td>
<td>V=0.201**</td>
</tr>
<tr>
<td>Education: low level</td>
<td>V=0.387**</td>
<td>τ =0.185*</td>
<td>V=0.228**</td>
</tr>
<tr>
<td>Work experience useful</td>
<td>V=0.421**</td>
<td>τ =0.157**</td>
<td>V=0.178**</td>
</tr>
<tr>
<td>Work experience not useful</td>
<td>V=0.509**</td>
<td>τ =0.152*</td>
<td>V=0.266**</td>
</tr>
<tr>
<td>Family entrepreneurial background</td>
<td>V=0.407**</td>
<td>τ =0.193*</td>
<td>V=0.077</td>
</tr>
<tr>
<td>No family entrepreneurial background</td>
<td>V=0.456**</td>
<td>τ =0.127*</td>
<td>V=0.287**</td>
</tr>
</tbody>
</table>

Note. ’Whole sample’ refers to the association values concerning the comparison between TIEs and DIEs for each variable in the column (without distinguishing for different paths of individual characteristics); ’ConcCity’ refers to the alters’ concentration in the city of the country of destination. * p<0.05 **p<0.01

Table 6.5 | Business network structure: type of entrepreneurs (TIEs/DIEs) and network size (linear regression)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: main effect</th>
<th>Model 2: Model 1+controls</th>
<th>Model 3: Model 2 + interaction effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
<td>B</td>
</tr>
<tr>
<td>Constant</td>
<td>11.758</td>
<td>1.104</td>
<td>9.924</td>
</tr>
<tr>
<td>Main effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TIE&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.667**</td>
<td>1.561</td>
<td>5.459**</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High education&lt;sup&gt;b&lt;/sup&gt;</td>
<td>2.293</td>
<td>1.772</td>
<td>0.139</td>
</tr>
<tr>
<td>Work-experience useful&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0.484</td>
<td>1.657</td>
<td>-0.154</td>
</tr>
<tr>
<td>Entrepreneurial background&lt;sup&gt;d&lt;/sup&gt;</td>
<td>-0.006</td>
<td>1.591</td>
<td>-1.886</td>
</tr>
<tr>
<td>Interaction effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Path 3&lt;sup&gt;e&lt;/sup&gt;</td>
<td>7.153**</td>
<td>1.799</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.171</td>
<td>0.196</td>
<td>0.364</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

* p<0.05  **p<0.01
<sup>a</sup> Reference category: DIE;
<sup>b</sup> Reference category: Low education;
<sup>c</sup> Reference category: Work experience not useful;
<sup>d</sup> Reference category: No entrepreneurial family background;

The complete table is in the Appendix (Annex 3 - Table 7).

In calculating ‘ConcCity’ I decided to calculate the percentage of contacts living in the ego’s city out of the contacts living in the country of destination. I decided to do that in order not to distort the comparison between TIEs and DIEs, since DIEs have a higher number of alters living in the country of destination (see Chapter 5).

All the assumptions of linear regression (e.g. multicollinearity; assumptions about residuals) are met.
### Table 6.6 | Business network composition: type of entrepreneurs (TIEs/DIEs) and network density (linear regression) 17

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: main effect</th>
<th>Model 2: main effect+controls</th>
<th>Model 3: model 2 + interaction effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>B</td>
<td>SE</td>
<td>B</td>
</tr>
<tr>
<td>Constant</td>
<td>0.52</td>
<td>0.048</td>
<td>0.523</td>
</tr>
<tr>
<td>Main effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TIEa</td>
<td>-0.239**</td>
<td>0.066</td>
<td>-0.234**</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High educationb</td>
<td>0.052</td>
<td>0.071</td>
<td>0.052</td>
</tr>
<tr>
<td>Work-experience usefulc</td>
<td>0.31</td>
<td>0.068</td>
<td>0.17</td>
</tr>
<tr>
<td>Entrepreneurial backgroundd</td>
<td>0.31</td>
<td>0.068</td>
<td>0.17</td>
</tr>
<tr>
<td>Interaction effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Path 3e</td>
<td>0.054</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.173</td>
<td>0.198</td>
<td>0.203</td>
</tr>
<tr>
<td>N</td>
<td>64</td>
<td>64</td>
<td>64</td>
</tr>
</tbody>
</table>

* p<0.05  **p<0.01

- Reference category: DIE;
- Reference category: Low education;
- Reference category: Work experience not useful;
- Reference category: No entrepreneurial family background;

Tables 6.5 and 6.6, which illustrate the results of regression analysis, show that the differences in network density and size between TIEs and DIEs (measured by B coefficient) do not change even if we control for individual characteristics. Indeed, TIE networks remain less dense and include more people than those of DIEs.

To sum up, the role of both structural and relational embeddedness, and the differences between TIEs and DIEs in this regard, hold even when individual characteristics are taken into account.

### 6.5 Conclusions

A first aim of the chapter was to underline the role played by individual characteristics in identifying and seizing opportunities (Do TIEs and DIEs differ in how individual characteristics are relevant for the purpose of identifying and seizing business opportunities?). In this regard, four different entrepreneurial paths emerge, based mainly on the use of past work experience on the one hand, and of education on the other hand. In particular, the first path (‘Experience building entrepreneurs’) is linked to past experience, while the second (‘Education-driven entrepreneurs’) is linked to educational background. The third (‘Experience-education merger

---

17 All the assumptions of linear regression (e.g. multicollinearity; assumptions about residuals) are met.
entrepreneurs’) is characterised by a strong combination of educational background and work experience, and finally, the fourth (‘entrepreneurs by chance’) takes into consideration the possibility of a path not connected to these particular characteristics and skills, i.e. a more ‘random’ entrepreneurial choice. In general, the majority of entrepreneurs fits the path linked to past work experience. However, TIEs also comprise a higher-skilled group that makes a strong use of education to seize business opportunities.

Both TIEs and DIEs seem to rely on individual characteristics. However, they differ in the quality of the resources that they have the ability to exploit. TIEs rely on a more business-related level of education (e.g. a university degree in Management) and better linguistic skills (usually acquired before the business start-up). TIEs also seem to have a more pro-active entrepreneurial attitude that leads them to actively search new possibilities and create new opportunities.

Regarding the dissimilarities among TIEs, the analysis of individual characteristics highlights non-homogeneous profiles among them. The main differences emerge when it comes to business sector (consultancy or import/export business). Entrepreneurs with a consultancy business seem to constitute the higher-skilled part of the TIE group, in terms of education and linguistic skills.

A second aim of the chapter was to find out whether different individual characteristics influence the dissimilarities between TIEs and DIEs in how they take advantage of their structural and relational embeddedness to identify and seize business opportunities18 (How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?). From the analysis, it can be concluded that the differences between TIEs and DIEs in the sample regarding how structural and relational embeddedness affects opportunity seizing persist after respondents’ individual characteristics are controlled. Only a few relevant differences emerge. For example, in contrast with the results that emerged when comparing TIEs and DIEs in the whole sample, TIEs and DIEs who take advantage of both past work experience and education do not differ in alters’ spatial concentration. However, the key finding is that in the majority of the cases the dissimilarities between TIEs and DIEs remain similar even when individual characteristics are taken into account. Therefore, apart from the role they play directly in influencing TIEs and DIEs, it would seem that individual characteristics bear a limited influence on differences between TIEs and DIEs when it comes to the role of structural and relational embeddedness in seizing business opportunities.

---

18 As underlined in Chapters 4 and 5.
Summary

Findings

a. Individual characteristics: TIEs have more business-focused qualifications than TIEs and better linguistic skills. These linguistic skills are usually acquired before the business start-up and allow TIEs to carry out the activities of a cross-border business. Furthermore, TIEs usually have a more pro-active attitude than DIEs. Among TIEs, those who own a consultancy business have higher-level education and linguistic skills.

b. Individual characteristics and structural and relational embeddedness: apart from some exceptions, education and other individual characteristics do not affect the differences between TIEs and DIEs in using structural and relational embeddedness to identify and seize business opportunities.

Conclusion

Individual characteristics are fundamental for both TIEs and DIEs in terms of seizing business opportunities. However, TIEs seem to start out with a set of characteristics (e.g. linguistic skills) that allow them to set up a cross-border business.

Furthermore, different entrepreneurial paths and individual characteristics only have a limited effect on the dissimilarities between TIEs and DIEs when it comes to the role of structural and relational embeddedness in seizing business opportunities.