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### Studying 'up' in migrant entrepreneurship

*Privileged migrant entrepreneurs in Wroclaw, Poland*

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1.



CHAPTER 1

# Introduction

## 1.1. The Italian man who went to Wrocław

Francesco (Italy) was living in the UK in the early 1990s when he met his Polish girlfriend. After falling in love, they soon married and moved back to her native city of Wrocław, Poland. As an Italian in Wrocław in the 1990s, he was, he admits, 'very sought after', because he was 'exotic and interesting'. This, combined with his degree in architecture, made it easy for him to find well-paid employment as an architect. Yet, after four months in this position, whereby his architectural projects were often subject to alterations by his boss, he decided he wanted to have 'more control'. And so, subsequently, he opened his own architecture firm, granting him full authority over his designs. Now, over 20 years later, Francesco employs 11 architects, among other office staff, all of whom are Polish. His investors, by contrast, are not from Poland, but instead are from much further afield, predominantly the UK, Ireland, and Italy.

The story of Francesco, at first glance, seems perhaps somewhat cliché. A man, moving countries for love, and who subsequently, as a migrant, opens his own business, adding to the plethora of other migrants in the world who have embarked upon an entrepreneurial trajectory. We have heard it all before, right? Yet, upon closer inspection, Francesco's story seems to present some fresh and novel peculiarities which appear at odds with the mainstream literature surrounding migration and migrant entrepreneurship. This literature has, to date, almost exclusively been centred around migration from economically developing countries to those which are more economically developed (Ilhan-nas et al. 2011; Dheer 2018). Within such contexts, it has often been shown how migrants are subject to 'restrictions, limitations, and discrimination' (Benson & O'Reilly 2018: 11). Even their reasons for migrating in the first place have been depicted in a disadvantaged light, often assumed to be economic in character, a fact which is so taken-for-granted that many of the leading theories surrounding migrant entrepreneurship do not even include the variable of motivation in their models.<sup>1</sup> This assumption of money as a motivating factor has even been extended to migrants' reasons for entering entrepreneurship, with Disadvantage Theory (Light 1979; Johnson 2000; Clark & Drinkwater 2010) describing how migrants, facing barriers to well-paid employment in the mainstream labour market, are forced to resort to self-employment for financial survival. Starting from this position of disadvantage, it is perhaps then unsurprising that scholars have subsequently searched for ways to account for migrants' apparent success at entrepreneurship despite their

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1 For example, neither the Interactive Model (Waldinger et al 1990) nor Chen & Tan's (2009) Integrative Model of Transnational Entrepreneurship include the factor of motivation in their diagrams representing their models. Further, the Mixed-embeddedness Approach (Kloosterman et al. 1999), Ethnic Enclave Theory (Wilson & Portes 1980; Light et al. 1994; Portes & Shafer 2006), and Disadvantage Theory (Light 1979; Johnson 2000; Clark & Drinkwater 2010) rarely discuss the role of motivations.

disadvantaged circumstances. One such attempt is that of Ethnic Enclave Theory (Wilson & Portes 1980; Light et al 1994; Portes & Shafer 2006) which stresses migrants' competitive advantage in terms of their access to a plentiful supply of affordable, co-ethnic labour.<sup>2</sup> This consideration of migrants' embeddedness within social networks has been followed by the Interactive Model (Waldinger et al. 1990) which expanded this to include migrants' embeddedness within the economic environment, and which has subsequently been even further expanded upon by the Mixed-embeddedness Approach (Kloosterman et al. 1999) with its inclusion of the politico-institutional context. Yet, importantly, despite excellent contributions to the field in terms of incorporating the role of the environment, these models have restricted it to the host country only. In the context of migration from economically underdeveloped countries to those which are more economically developed, this is somewhat understandable. Owing to migrants' economically less developed locations of origin, it is unsurprising that they have been predominantly observed accessing (economically dominant) host-country markets only, while the markets in their home countries remain apparently less desirable (Rusinovic 2008) and, as such, have largely been neglected within the literature (Bagwell 2018).<sup>3</sup>

For Francesco, however, such theories seem problematic. First of all, he migrated away from an economically *more* developed country (Italy) toward an economically *less* developed country (Poland). This, in itself, seems to immediately beg the question *why?* In doing so, it 'calls into question taken-for-granted understandings of the relationship between migration and economics' (Benson & O'Reilly 2018: 91) and, subsequently, brings the hitherto hidden role of motivations into the foreground. Second, he states that, as an Italian in Wroclaw, he was 'sought after' and considered to be 'exotic and interesting'. This privileged standing within society, combined with the relative ease with which he found well-paid employment, likewise questions the often assumed correlation between minority groups and discrimination (Lundstrom 2017). Third, he appears to be exclusively hiring his staff from a pool of native, *Polish* labour. This, in turn, seems to contradict the ideas of Ethnic Enclave Theory which, as outlined above, would expect him to take

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2 Portes & Shafer (2006) point out that, despite co-ethnic employees often being willing to work longer hours and for lower wages, they do so in return for acquiring skills, which they later put to use creating their own enterprise, subsequently leading to positive long term economic payoffs.

3 Even within the field of transnational entrepreneurship, whereby studies have likewise been largely restricted to (semi)-periphery-core migratory contexts, it seems most common for migrants to sell goods and services to the economically dominant host-country markets (see, for example, Saxenian 1999; 2002). This idea will be further developed in Chapter 5.

advantage of a plentiful supply of affordable, *co-ethnic* (Italian) labour.<sup>4</sup> Fourth, and finally, Francesco has international investors, which itself seems inconsistent with the aforementioned expectation that migrant entrepreneurs access opportunity structures within the host country only.

And, importantly, it seems Francesco is not just an isolated case. He has been followed by over 13 million people in 2019 alone who have likewise migrated in a ‘North-South’ direction.<sup>5</sup> Of course, not all of them become migrant entrepreneurs, but I knew from firsthand experience that at least *some* of them do. Even before starting this study, I attended an ‘expat’ meet-up in Wroclaw where I met a multitude of other migrants who had likewise moved *away* from economically more developed countries and had set up businesses in Wroclaw. Sitting at a table laden with an abundant supply of aperol spritz and prosecco in the central square of Wroclaw, I met Niall (Ireland) and Karl (Germany) whose stories seemed to mirror that of Francesco’s. Both of them talked of how they had a somewhat elevated status within Wroclaw, sold products or services predominantly to a clientele outside of Poland (in ‘the West’), and did not employ co-ethnic labour. Further, even my own situation seemed to lend support to their experiences. I myself had likewise emigrated from an economically more developed country (the UK) and had also set up my own business in Wroclaw, whereby I was also servicing an international clientele with employees who were predominantly Polish and, therefore, not co-ethnic.

So what was going on here? Looking for answers in the literature led me to find that almost no studies existed about migrant entrepreneurs who had migrated away from advanced economies toward those which are less economically developed. In a recent literature review by Dheer (2018) of 69 studies about migrant entrepreneurship, he found *none of them* analysed migration in this direction.<sup>6</sup> Indeed, despite witnessing and experiencing migrant entrepreneurship first-hand in this ‘reverse’ context, I could only find a handful of studies about it (for example Harima 2014; Vance et al. 2016; and Andrejuk 2017, all of which I will elaborate upon later). Instead, the literature was oriented almost exclusively towards ethnic

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4 Admittedly, not all migrant entrepreneurs have been found to hire co-ethnic labour, and in several cases have been observed hiring migrants from third party countries (see Light & Ojeda in Rath (2002) and their differentiation between the ‘ethnic economy’, ‘immigrant economy’, and ‘mainstream economy’). However, Francesco’s hiring practices seem to be altogether different, belonging to neither the ‘ethnic economy’ nor the ‘immigrant economy’, and even within the category of the ‘mainstream economy’ his behaviour seems to be ‘flipped’, whereby he, as a migrant, is hiring ‘mainstream’ employees and not vice versa.

5 5% (13.6 million) of the global migrant stock of 272 million migrated in a North-South direction (UN DESA 2020).

6 Despite Dheer’s literature review (2018) not uncovering any studies in the context of migration from core- to (semi-)periphery-states, I was able to find some, albeit only a very small number. These are discussed in the literature review section.

groups from economically developing countries who had migrated to economically more developed countries. This study, then, aims to fill this gap in the literature by studying 'up' (Nader 1972; Gusterson 1997; Aguiar 2012) and interviewing 41 migrants who have emigrated *away* from economically more developed countries (such as the USA, Germany, the UK, and Italy) toward an economically less developed region, namely, the city of Wroclaw in Poland. Studying 'up', however, is inherently a relative term and requires the existence of a 'down' against which to position itself. Therefore, as part of the study, I have also interviewed 24 migrants who originate from economically less developed countries (such as Ukraine and Belarus), using them and their situations as a point of comparison against which to position migrants such as Francesco. This requirement, to research not only migrants from economically developed countries, but also economically underdeveloped countries, is one of the main reasons why Wroclaw was selected as the location of the study. Belonging neither to the world's most economically developed regions, nor most economically underdeveloped, the city provides an economic 'middle-ground' setting in which both groups of migrants can be simultaneously observed in a relatively neutral environment. Moreover, it is the city in which I myself have lived and worked for several years as a migrant entrepreneur and, as such, was also a convenient choice of location, wherein I could mobilise my local knowledge, experiences, and extensive network for the purposes of the study (Riemer 1972).

At this point, the reader might be wondering if this all really matters. After all, with global migration from economically developing to economically developed countries (circa 95.2 million) greatly outnumbering migration in the opposite direction (circa 13.6 million),<sup>7</sup> you might ask if it matters that this less common demographic has been neglected in the literature. What, in other words, is the point of studying migrant entrepreneurs, such as Francesco, who are part of this smaller demographic? Now, below, I will make my case for this. Specifically, I will argue that the stories of Francesco and other migrant entrepreneurs who have migrated in a 'reverse' direction are not only interesting as empirical phenomena, but also have real theoretical and practical implications for the field of migrant entrepreneurship and even beyond.

## 1.2. Why study 'up' in migrant entrepreneurship?

*"If we look at the literature based on fieldwork in the United States, we find a relatively abundant literature on the poor, the ethnic groups, the disadvantaged; there is comparatively little field research on the middle class, and little first hand work on the upper classes. Anthropologists might indeed ask themselves whether the entirety of fieldwork does not*

*depend upon a certain power relationship in favor of the anthropologist, and whether indeed such dominant-subordinate relationships may not be affecting the kinds of theories that we are weaving”, (Nader 1972: 5).*

Nader (1972, quoted above) points out that there has been a reluctance in the field of anthropology to study ‘up’. Despite that observation being made over 40 years ago, it remains overwhelmingly true (Gusterson 1997; Aguiar 2012). Curiously, there appears to be no clear consensus for why we, as anthropologists and social scientists, have apparently been so hesitant to research those in positions of privilege. There are, however, three trains of thought. First, there can be methodological difficulties when it comes to accessing elites (ibid). Second, there has traditionally been a culture within anthropology departments to prefer more exotic research projects which concern themselves with the underprivileged ‘other’ (and the more ‘other’ the better) (Gusterson 1997). Third, Nader (1972) hinted at how we tend to research topics which incite our emotion. The example she gave is that of an anthropologist (L.H. Morgan) who was troubled by the treatment of Native Americans in the USA. This aversion subsequently led him to undertake a research project surrounding this phenomenon. By way of explanation, it seems it is our problematization of those in positions of disadvantage which often pulls us toward a certain research agenda. By contrast, we rarely look at those in positions of privilege, such as the wealthy, and think ‘this is a problem and should be researched!’ In other words, it is our failure to problematize those in positions of privilege which is perhaps underlying our reluctance to study ‘up’.

Such reluctance is epitomized within the literature surrounding migrant entrepreneurship. Research has centered around migration from economically developing countries, resulting in an almost total lack of research about more privileged forms of migration from economically *developed* countries (Dheer 2018). A small (but growing) number of migrant entrepreneurship scholars have, subsequently, acknowledged the ‘extreme lack of attention’ (Paik et al. 2017: 56) paid to this phenomenon and have called for more research in this field (Andresen et al. 2014). By studying ‘up’ in the field of migrant entrepreneurship, therefore, this project will help to fill this gap in the literature. Yet, a gap in the literature does not, in itself, constitute reason enough to warrant further research. What, in other words, makes it a gap that we should *fill*? Here, I will now provide five reasons.

First, there is a *theoretical warrant* to study ‘up’. Nader (1972) warns of how the exclusive ‘downward’ study of ‘ethnic-groups’, and the inherent ‘dominant-subordinate’ relationship, may be ‘affecting the kinds of theories that we are weaving’. Indeed, as will be seen in the literature review later in this chapter, it appears that many of the current theories may well have been ‘theorized largely on the basis of persistent power imbalances in the international system’ (Croucher 2009: 465) and, subsequently, there are serious question marks surrounding their ability to account for migration in a reverse context. In this way, through the micro



level study of more privileged forms of migration, we might be able to ‘light up’ previously invisible assumptions and structures (Duneier 2014: 7). And, in doing so, studying ‘up’ may create a counterpoint against which we can critically examine the current theoretical approaches within the field of migrant entrepreneurship.

Second, and this is an extension of the second point, there may be *methodological implications* for new research projects. As noted above, studying ‘up’ seems to problematize taken-for-granted notions about social phenomena. Researchers should, therefore, ask themselves whether their studies are based upon such assumptions and how, subsequently, these assumptions can be taken into consideration when developing research methodologies for new projects.

Third, on a general level, it may contribute to *changing the ‘negative’ narrative about migration* which has helped to fuel the recent rise in populism<sup>8</sup> seen in many countries (Lutz 2019). The current narrative portrays migrants as disadvantaged individuals, originating from economically undeveloped countries, lacking agency and often subject to various disadvantages relative to the native population (Benson & O’Reilly 2018). The same is true within migrant entrepreneurship, with the stereotype being the disadvantaged migrant<sup>9</sup> who originates from an economically developing country and, facing barriers within the new host-country, has been forced into entrepreneurship as a way of escaping unemployment (Light 1979; Johnson 2000; Clark & Drinkwater 2010). But what about migrant entrepreneurs who originate from economically developed countries? Are they equally lacking in agency and subject to such challenges? In the case of Francesco, outlined above, it would seem *not*. By the same token, even within certain (semi-)periphery-to-core migratory contexts some scholars have highlighted more privileged forms of migration such as highly skilled migrant entrepreneurs (Saxenian 1999; 2002) those with extreme wealth (Froschauer & Wong 2012). Yet, within the mainstream media, such stories are rare and the term ‘migrant’, despite essentially meaning ‘a person who moves from one place to another’,<sup>10</sup> remains loaded with various connotations of disadvantage. Indeed, such an apparent neglect of more privileged forms of migration might be causing us to create ‘somewhat skewed notions of who migrants are’ (Fechter & Walsh 2010:1198). More actively studying ‘up’, therefore, might begin to change this narrative, extending the semantic scope of ‘migrant’ and ‘migrant entrepreneurship’ beyond the stereotype of the ‘disadvantaged migrant’.

Fourth, there may even be *theoretical ramifications beyond the field of migration*, in particular in terms of global inequality and power hierarchies. The key indicator most commonly used to measure inequality is wealth. What then, could be more meaningful, than studying those who are at the forefront of wealth creation i.e.

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8 This is somewhat of a vicious circle with populism in turn fueling the negative narrative surrounding migration.

9 With a small number of exceptions, as will be shown further below.

10 Oxford Languages: <https://languages.oup.com/>

entrepreneurs? Switching the focus to migrant entrepreneurs from the world's wealthiest nations, and positioning these findings against those from some of the poorest, may offer key insights into the factors which reinforce (or breakdown) wealth inequality. If, for example, migrant entrepreneurs from core-states are *not* disadvantaged, but are actually *privileged*, then what implications does that have? Would such a difference in privilege between migrant entrepreneurs from economically developed and developing countries just be the tip of the iceberg, a surface level manifestation hinting at power hierarchies and systemic inequality on a global level? Unlike ethnicity or gender, the role of privilege stemming from one's citizenship and geographical origins has not been researched in any great depth (Choules 2006). Studying 'up' in the field of migrant entrepreneurship, therefore, may offer fresh insights into this line of inquiry. Indeed, as will be seen in subsequent chapters, this study reveals how the root causes of migrants' variation in privilege and disadvantage go well beyond the micro level of migrants' individual agency.

Fifth, and finally, there may be *policy implications* resulting from challenges to the current theories. Many governments around the world are actively encouraging migrant entrepreneurship (Collins 2003; 2010; Acs & Szerb 2007; Desiderio 2014). If policy is based upon the current theories, and these theories are founded upon assumptions which are not universally true, then what does that mean for the effectiveness of these policies? This, of course, may have particular significance for the governments of (semi-)periphery-states, for which this study is most relevant.

### 1.3. Definitions

*'We as researchers must also recognise and think about the power relations implicit and explicit in the terminology we utilise in our research. It is through understanding and challenging labels that work to differentiate people, such as 'expatriate,' 'migrant', or 'refugee', that we open up the possibility of confronting the privilege that underpins the ways in which these become determined'* (Cranston 2017:10).

When writing this dissertation, I was confronted with three significant terminological questions to answer. First, how should I refer to the main agents of this study? Second, how should I describe migrants' origins and direction of migration? Third, to whom exactly do the terms 'study 'up'' and 'down' refer? These three questions, and the explanation behind my decisions, are outlined below.

#### 1.3.1. 'Migrant entrepreneur' and the alternatives labels

In the literature, many different terms are used, including 'migrant entrepreneur', 'ethnic entrepreneur', 'minority entrepreneur', 'diasporan entrepreneur',

‘transnational entrepreneur’, ‘expatriate entrepreneur’, ‘expat-preneur’, and ‘lifestyle entrepreneur’. Yet, throughout this dissertation, I almost exclusively use the term ‘migrant entrepreneur’. I do so for two main reasons.

First, however, I will briefly outline what exactly I mean when I use this term. The UN (1998: 9) defines the first part, a ‘migrant’, as ‘any person who changes his or her country of usual residence’. The second part, ‘entrepreneur’, is used to refer to ‘a person who sets up a business’.<sup>11</sup> However, with regard to the latter, what about someone who runs an informal (aka ‘illegal’) business which has not been registered? Have they still ‘set up a business’? Surely, in a practical sense, they are still an entrepreneur, albeit one that is not conforming to certain laws. For this reason, Rath & Swagerman (2011: 83) definition is preferred: ‘A person in effective control of a commercial undertaking for more than one client over a significant period of time’. Taken altogether, the term ‘migrant entrepreneur’ here is defined as ‘any person who changes his or her country of usual residence’ *and* who is in effective control of a commercial undertaking for more than one client over a significant period of time’ (ibid). Further, although I seldom make use of them in this dissertation, I should clarify that there are also two minor variations of the term, namely ‘immigrant’ and ‘emigrant’. In accordance with the UN definition (1998), the term ‘immigrant’ is simply the word ‘migrant’ from the perspective of the host country, whereas the word ‘emigrant’ is the same, but from the perspective of the migrant’s country of origin. Considering that most studies to date have been from (core-state) host countries, it is unsurprising, therefore, that the term ‘immigrant entrepreneur’ is often used interchangeably with ‘migrant entrepreneur’. As such, within a European context, it can be considered to be a eurocentric term.

I return now, then, to the reasons I settled upon the term ‘migrant entrepreneur’. First, as noted above, it explicitly refers to entrepreneurs who have, themselves, migrated. Compare this, for example, to the alternative options of ‘ethnic entrepreneur’, ‘diasporan entrepreneur’, or ‘minority entrepreneur’, which can all be used to include those who might *not* have migrated themselves, namely, second or third generation immigrants (Nestorowicz 2012). As such, for a study which focuses exclusively upon first generation migrants, the term ‘migrant entrepreneur’ seems a better fit.

Second, I deliberately use the term in a *transformative sense*. This point, however, only makes sense once I tell you about two other labels more commonly used to refer to migrant entrepreneurs from core-states, namely, ‘expatriate entrepreneurs’ (aka ‘expat-preneurs’) and ‘lifestyle entrepreneurs’. Importantly, these terms are both used almost exclusively within the context of privileged

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11 Cambridge International Dictionary of English (1995). Cambridge: Cambridge University Press.

migration from core-states.<sup>12</sup> For a study which does indeed concern itself with privileged migration from core-states, you might think that they are, therefore, ideal terms for this dissertation. However, in restricting their application to privileged forms of migration only, they have become inherently exclusionary terms, loaded with undertones of Western whiteness (Leonard 2016; Cranston 2017). Despite such undertones, they are often used axiomatically within the migration literature and ‘in an unreflective way’, resulting in ‘academic research playing a role in constructing what it seeks to explain’ (ibid: 9-10) and, subsequently, reproducing and reinforcing the dichotomy between privileged and disadvantaged forms of migration. In an effort to avoid this, throughout this dissertation, I instead apply the label ‘migrant entrepreneur’ to members of *both* subject groups, including those from core-states. I do this with the goal of leveling the linguistic playing field and bringing those often referred to as ‘expatriate entrepreneurs’ or ‘lifestyle entrepreneurs’ onto the same level as those referred to as ‘migrants’. In doing so, it is my intention to support Cranston’s (ibid:10) call for researchers to ‘confront the privilege that underpins the ways in which these [terms such as ‘expatriate’ vs. ‘migrant’] become determined.’

### 1.3.2. Describing the direction of migration

Now that I have clarified how to label the agents of the study, the next dilemma is how to describe the direction in which they are moving. Specifically, how to differentiate between those who are moving toward economically more developed countries versus those who are moving in other directions, as well as my criteria for operationalizing which countries are ‘economically developed’ and which are not. Here I have chosen to borrow terminology from World-systems Analysis (Wallerstein 1987; 2004). This approach splits the world into three levels of economic development: ‘Core’ countries (those with advanced economies), ‘periphery’ countries (those with non-industrialized economies / developing economies) and ‘semi-periphery’ countries (those in the middle). My reasons for deciding upon this nomenclature are two-fold. First, this trichotomous division has an important advantage over the potential alternative of the dichotomy ‘Global North’ and ‘Global South’. Between 1992 and 2019, Poland’s GDP per capita has increased by over 600% to \$15,595, significantly more than less economically developed countries such as Chad (\$728), yet still less than a quarter of the USA (\$65,280).<sup>13</sup> With such a ‘middle-of-the-range’ economy, the dichotomy of ‘North’ and ‘South’ is problematic in terms of deciding to which group Poland

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12 See, for example, the use of ‘expatriate entrepreneur’ in Vance et al. (2016), Vance et al. (2017), and Selmer et al. (2018), as well as ‘lifestyle entrepreneur’ in Stone & Stubbs (2007), Torkington (2010), and Marchant & Mottiar (2011). I must confess that I am also guilty of this (see Girling & Bamwenda 2018), which reveals my own learning curve in the use of such terminology.

13 World Bank 2020

would belong. By contrast, Wallerstein's trichotomous division of the world provides a necessary 'in between' group and, subsequently, a way of distinguishing and categorizing Poland's 'middle-ground' status.

Second, the terms have another important advantage over that of 'Global North' and 'Global South'. The latter terminology has been accused of presenting certain regions (i.e. those belonging to the 'North') as somehow 'exemplary', while others as conversely in need of improvement (Eckl & Weber 2007). The same can be said of Harima's (2014) 'ascending' and 'descending' migration terminology which seems similarly loaded with diametric connotations of superiority and inferiority. Consequently, in using such terms we might unwittingly 'reinforce the very power relations which we social scientists aim to describe' (Cranston 2017: 9). Wallerstein's terminology, by contrast, is loaded with a tradition which is critical of precisely the power relations which are embodied in the latter. In other words, the terms provide a way of discussing an uneven 'world-system' while simultaneously being critical of it. As will be seen in subsequent chapters, this lends itself well to the overarching theoretical findings within this dissertation.

Yet, my choice is not without its own problems. Specifically, it is somewhat problematic with regard to which criteria to use in order to classify countries according to the three (core, periphery, and semi-periphery) groups. Unfortunately, Wallerstein does not offer much help in this respect, writing that 'the key element distinguishing core-like from peripheral processes is the degree to which they are monopolized and therefore profitable' (Wallerstein 2004: 93). He then goes on to say that such processes tend to group in certain regions, or states and, as such, could be described as 'core-states' (ibid: 28). In other words, his focus is upon *relational processes* and not wealth per se. For this study, which seeks to compare migrant entrepreneurs from core- vs. periphery states, this does indeed present a problem, as it inherently requires some way of classifying which states can be considered core vs. periphery. As such, based upon Wallerstein's assumption that core-processes are more profitable and, therefore, should lead to the variation in countries' accumulation of wealth, I have (somewhat crudely) based the main determinant of core-periphery classification upon countries' GDP per capita. Those states ranking within the global top 50 of GDP per capita<sup>14</sup> are defined as 'core' states, while those toward the bottom of this list are classified as 'periphery', and those in between as 'semi-periphery'. While recognizing this does not capture the full picture of global economic and power dynamics, it is a convenient operationalization which provides a practical and objective way of classifying states for the purposes of this study.

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14 World bank data (2008): <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

### 1.3.3. Studying 'up' vs. 'down'

I turn now to the third and final terminological explanation, namely, to whom exactly I am referring with the terms 'studying 'up'' and 'down'. These are relative terms and, so, it should be asked 'relative to *what* exactly?' As has been the case within the field of anthropology, both historically and largely up to the present day, the terms have been relative to the mainstream populations of core-states. To a certain extent, this reflects the Western-centric worldview of researchers within such countries, but it is fair to say that it also largely represents the hierarchy of power and wealth within the current global system. So, based on this relative positioning, does 'down' mean migration from (semi-)periphery countries? Put simply, the answer is 'often yes, but not necessarily always'. In the majority of studies (to be discussed below), migrant entrepreneurs from the (semi-)periphery represent disadvantaged ethnic minorities. However, this is not always the case. There are a small number of studies which focus upon skilled - or even wealthy - migrant entrepreneurs from such regions, such as Saxenian's (2002) study of highly skilled Indian, Chinese, and Taiwanese transnational entrepreneurs in Silicon Valley (see also Basu 1998, Hiebert 2002, and Froschauer & Wong 2012). Would such a focus still constitute studying 'down'? Conversely, we might consider entrepreneurs who, despite originating from core-states, lack skills and money (some of whom you will read about in this study). Would researching such migrants still constitute studying 'up'? Here the boundaries become blurred. Clearly, then, originating from a certain country does not always correlate to predetermined levels of access to resources. Having said that, and as will be seen in this dissertation, within the current global system, migrants from core-states are often granted certain privileges, so referring to the study of migrants from core-states as studying 'up' may well have a degree of objective justification.

At this point, I would like to address a major concern of using these terms. Having previously argued against the use of terminology which unthinkingly reinforces dichotomies of privilege and disadvantage, you may well question my inclusion of 'up' and 'down' which similarly portray notions of comparative superiority and inferiority. Yet, for a dissertation which is closely entwined with power relations, these two relational terms, which inherently convey variations in power, provide concise and convenient language with which to describe the dynamics of power observed in this study. It remains, however, a concern of mine that, in using these terms, I myself am subsequently contributing to the reproduction of the very power hierarchies which I wish to expose (Cranston 2017: 9). For this reason, and so as to acknowledge them as problematic, throughout this dissertation I write them in parentheses.

## 1.4. Background & theoretical context

In this section, I will show how, within the field of migrant entrepreneurship, there has been a tendency to study ‘down’ and, subsequently, there is a resulting gap in the literature in terms of studying ‘up’. This ‘downward’ facing concentration, I will demonstrate, has led to some serious theoretical consequences, specifically, the way in which current migrant entrepreneurship theories appear to be rooted in (semi-)periphery-to-core, dominant-subordinate contexts. Indeed, I will show how three of the most prominent theories (Disadvantage Theory, Ethnic Enclave Theory, and Mixed-embeddedness Approach) seem ill-equipped to account for the experiences of migrants such as Francesco (mentioned at the beginning of this chapter) in ‘inverse’ migratory contexts.

### 1.4.1. The tendency within migrant entrepreneurship to study ‘down’

In a recent literature review by Dheer (2018) of 69 studies about migrant entrepreneurship, he found that *all of them* were based on migration to core-states. This finding is also supported by two additional literature reviews (Ilhan-Nas 2011; Aliaga-Isla & Rialp 2013), which revealed that the most frequently studied host countries were the United States, Canada, Australia, and countries in Northern Europe. With regard to Ilhan-Nas’ (2011) study, it also identified that, in terms of migrant entrepreneurs’ country of origin, developing economies were most frequently studied. This is also true in the literature surrounding ‘transnational entrepreneurs’ (see Saxenian 2002; Portes et al. 2001; Rusinovic 2008; and Light & Shahlapour 2016 among others.) In other words, almost all migrant entrepreneurship studies to date have studied ‘down’, focusing on migration in (semi-) periphery-to-core contexts.

By contrast, the study of migration in the opposite direction has received much less attention. This is perhaps all-the-more surprising given that core-to-(semi-)periphery migrant entrepreneurs are, of course, not a new phenomenon. After all, in the 16th-19th centuries, European colonialists migrated en masse to the (then) periphery regions of the Americas, Africa, and Australia (Portes et al. 1999), where many of them created businesses. However, since those colonialist times, the trend seems to have been less observable, at least, until recently. As noted by the Wall Street Journal (2015) in their article ‘The Rise of the Expat-preneur’,<sup>15</sup> it appears to be getting more attention in a new, post-colonialist (or even neo-colonialist) context.

Indeed, this increase in attention of core-to-(semi-)periphery migrant entrepreneurs has recently been observed by a small number of migrant entrepreneurship scholars. In particular, business and management scholars (Vance et al. 2016; Paik et al. 2017) have explored the career career trajectories of what

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15 Link to article: <https://blogs.wsj.com/expat/2015/03/30/the-rise-of-the-expat-preneur/>

they refer to as ‘expat-preneurs’ (a term I personally choose not to use, as noted previously). Their research has, however, not been based upon original data, but instead upon ‘collective international experience and observance of emerging trends’ (Paik et al. 2017:51). Of greater relevance to this paper is Andrejuk’s (2017) comparative study of EU-12<sup>16</sup> migrant entrepreneurs and EU-15<sup>17</sup> entrepreneurs in the context of Poland. This study makes an excellent contribution to the field by highlighting the important role of cultural hierarchies within migrant entrepreneurship, yet is confined to migrants from core- and semi-periphery-states (migrants from periphery-states are not included) and does not attempt to position the findings within the theoretical landscape. Harima (2014) also examined core-to-(semi)-periphery migration, specifically, Japanese migrant entrepreneurs in the Philippines, Guatemala, and Argentina, however this study was extremely limited in size with just four interviewees. Most other studies which have tackled this phenomenon have been in the context of core-to-core migration, for example Stone & Stubbs’ (2007) study of British entrepreneurs in Spain and France and Marchant & Mottiar’s (2011) study of British entrepreneurs in Ireland.

If we extend the focus outside the scope of migrant entrepreneurship, it is easier to find more examples of studying ‘up’ within migration. These have largely centered around the topics of post-colonial migration and ‘lifestyle migration’, whereby privileged migrants from core countries move to more affordable destinations, usually with a more desirable climate (Benson & O’Reilly 2018; Torkington 2010). Despite not focusing on entrepreneurship, they have highlighted interesting dynamics surrounding core-to-(semi)-periphery migration in terms of privilege and class (Sklair 2001; Leonard 2010; 2016), ethnicity (Fechter 2005), and gender (Fechter 2010; Wang 2013).

But within the field of migrant entrepreneurship, such dynamics of core-to-(semi)-periphery migration remain largely unexplored. Instead, migrant entrepreneurship scholars, often situated at core-state universities, have remained fixated upon the migration happening right in front of them, namely, migration from (semi-)periphery-to-core states. Such a fixation has led, I argue, to the current migrant entrepreneurship theories being rooted in these contexts. This can be clearly seen in three of the most prominent migrant entrepreneurship theories: Disadvantage Theory, Ethnic Enclave Theory, and the Mixed-embeddedness Approach, as I will now show below.

### 1.4.2. Disadvantage Theory

Disadvantage Theory attempts to account for the high rates of entrepreneurship among immigrants and ethnic minorities. Put simply, it states that they turn to

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16 The 12 new countries which joined the EU since 2004.

17 The 15 original EU member countries.



entrepreneurship out of necessity and not out of volition (Light 1979; Johnson 2000; Clark & Drinkwater 2010). Relative to the host country environment, they may be disadvantaged in terms of education, training, and language, or simply discriminated against. This disadvantaged position increases the chance of unemployment and poverty, which 'pushes' migrants toward entrepreneurship. Despite some studies showing that not all disadvantaged migrants become entrepreneurs (Masurel et al. 2002; van Tubergen 2005), it remains an often-cited theory in the literature and has been observed in multiple studies (Light & Gold 2000; Constant & Zimmermann 2006; Ram & Jones 2008; Clark & Drinkwater 2010).

However, can Disadvantage Theory also account for migrant entrepreneurs who have migrated in the opposite direction? For example, does Francesco (highlighted in the vignette at the beginning of this chapter) have lower levels of resources relative to the native mainstream labour force, or is he subject to discrimination which, subsequently, 'pushes' him into self-employment? On the contrary, the case of Francesco, as well as a handful of other studies, seem to indicate quite the opposite. Andrejuk (2017), as mentioned previously, found evidence of migrants from core-states experiencing *cultural privilege* within Poland. Similarly, in a study of migrant entrepreneurs from Japan in the Philippines, Guatemala, and Argentina, Harima (2014) found higher levels of financial capital. As such, these early studies, in addition to the experiences of migrants in this dissertation, raise serious questions surrounding the ability of Disadvantage Theory to account for migrant entrepreneurship in core-to-(semi-)periphery migratory contexts.

### 1.4.3. Ethnic Enclave Theory

As with Disadvantage Theory, Ethnic Enclave Theory (Wilson & Portes 1980; Light et al 1994; Portes & Shafer 2006) attempts to account for the high rate of entrepreneurship among migrants and ethnic minorities. It was developed in the context of Cuban migration to South Florida, where Wilson & Portes (1980) noticed an unusually high number of Cubans running their own businesses. In order to account for this, they theorised that the geographical concentration of Cubans in South Florida provided migrant entrepreneurs with plentiful access to cheap, co-ethnic labour in return for employment and training (ibid). This, in turn, provides migrant entrepreneurs with a competitive advantage over native entrepreneurs, subsequently explaining the relatively high rate of entrepreneurship among migrant groups.

However, once again, this theory was formulated in a (semi)-periphery-to-core context. Can this theory also account for migrant entrepreneurs who have moved

in the opposite direction?<sup>18</sup> In the case of Francesco, it seems *not*. As shown in the opening vignette, he is employing exclusively native, *Polish* labour. This is once again supported by Harima's study (2014), whereby Japanese entrepreneurs in the Philippines hired *local*, Filipino labour and *not* co-ethnic Japanese labour. Of course, you might be wondering if the case of Francesco and the Japanese entrepreneurs in Harima's study are simply rare exceptions. However, as will be seen later in this dissertation, they seem to be representative of a greater trend at odds with Ethnic Enclave Theory.

#### 1.4.4. The Mixed-embeddedness Approach

The Mixed-embeddedness Approach (Kloosterman et al. 1999) is considered to be the most comprehensive model in its ability to include all factors which shape migrant entrepreneur outcomes. That is to say, it attempts to include all aspects of agency, structure, and the interaction between the two. Or, in the words of the authors, it incorporates 'not only the embeddedness in social networks of immigrants but also their embeddedness in the socio-economic and politico-institutional environment of the country of settlement' (Kloosterman & Rath. 2001: 190). Importantly, this includes 'the matching process' between entrepreneurs and the 'opportunity structure' (Kloosterman & Rath 2001). The authors attempted to unpack this previously vague concept of the opportunity structure by dividing it into two: 1. Accessibility (to what extent migrant entrepreneurs have access to markets); 2. Growth potential. They then unpacked the concept further by proposing a three level typology through which to analyse the accessibility and growth potential: 1. National, 2. Regional/Urban and 3. Neighborhood.<sup>19</sup> In the context of Turkish and Moroccan migration to Amsterdam (around which the approach was formed), it seems to capture all the major influences upon the opportunity structure. The Turkish bakers and Moroccan butchers sold their products in Amsterdam, not internationally, so, likely as a result of this, only factors affecting the opportunity structure within the host country were identified. The Mixed-embeddedness Approach has subsequently been used as the theoretical foundation of comparative studies of migrant entrepreneurs in Austria, Belgium, France, Germany, Italy, the Netherlands, the United Kingdom, Australia, Canada, the United States and South

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18 Here it should be noted that, even in certain core-state contexts, exceptions to Ethnic Enclave Theory have been observed. For example, in Light et al.'s (1999) study of the garment industry in Los Angeles, they observed that Korean migrant entrepreneurs often employed Mexican labour. Yet, importantly, this behaviour still seems different to the hiring practices of Francesco who, as previously observed, is hiring native, Polish labour.

19 Rath (2002) admittedly later refers to supranational forms of governance in his insightful book 'Unraveling the Rag Trade. Immigrant Entrepreneurship in Seven World Cities', yet at no point has either author formally updated their typology of the opportunity structure.

Africa (Kloosterman & Rath 2003), notably all in the context of (semi)-periphery-to-core migration.

But let us ask the question once again: What about migrant entrepreneurs who have migrated in the opposite direction? Can the Mixed-embeddedness Approach also account for their situations? Returning to the case of Francesco, whose investors are situated *internationally* (Italy, Ireland, and the UK), it seems not. In acquiring international investors, it seems likely that his business is to some degree affected by the presence (or lack thereof) international tariffs, taxation, and laws. Indeed, we only need to consider the recent COVID-19 pandemic, and its unprecedented effects upon the economy both within and outside of Poland, to realise how factors *beyond* the borders of individual countries can play a role in shaping matters both domestically and internationally. Subsequently, the restriction of the opportunity structure to just factors within the host country seems questionable.

Indeed, the supranational business activity of ‘transnational entrepreneurs’ has already been observed by other authors (Portes et al. 1999, Saxenian 2002, Rusinović 2008, Chen & Tan 2009; Solano 2015; Bagwell 2018). On the surface, such studies seem better able to account for the circumstances of Francesco. Yet, upon closer inspection, two key problems remain. First, these studies have been in the context of (semi)-periphery-to-core migration, whereby they were almost always utilizing labour in their (semi)-periphery countries of origin to provide products or services to the core country markets. Importantly, this seems to differ from the case of Francesco (as well as the Japanese migrant entrepreneurs in Harima’s study), who appear to be selling their products and services in the *opposite direction*. Second, much of the existing transnational entrepreneurship literature is restricted to the binary paradigm of the host and home countries (Solano 2020). For example, in Chen & Tan’s (2009) integrative model of transnational entrepreneurship, even though they acknowledge the role of factors outside of the host country, they restrict these factors to the *home country only*. Yet, as can be seen with the case of Francesco, his investors are situated not only in his home country of Italy, but also in third party countries (Ireland and the UK). As such, Francesco’s situation seems problematic not only for the theories which restrict migrant entrepreneurship to the host country, but also even to those which extend it to a binary paradigm of the host and home countries.

#### **1.4.5. An alternative theoretical framework?**

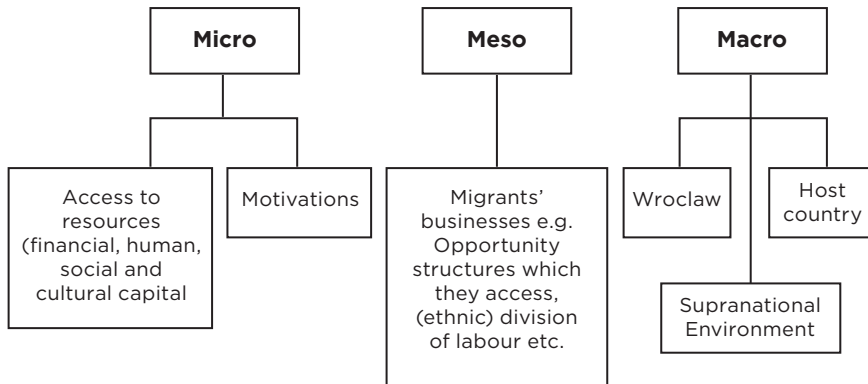
So far, I have argued that a number of popular theories are rooted in (semi)-periphery-to-core migratory contexts and, as a result of this, seem unable to adequately account for the phenomenon of migrant entrepreneurship in core-to-(semi)periphery contexts. The reader may, subsequently, be wondering, in light of the previously mentioned theoretical models apparently not constituting a suitable fit, then which theoretical framework will I be adopting for this study? In truth, at

the beginning of my research, I did not know. But, of course, I was not starting with a blank slate. Having already spoken with several migrant entrepreneurs who had migrated away from core-states to the semi-periphery-context of Wrocław, such as Francesco (mentioned in the introduction), as well as taking into account my own experiences as a migrant entrepreneur, I already had a few ideas. In particular, I had a sense that the required theoretical framework must somehow take into account the wider international environment. As such, I decided to develop a heuristic model, which would allow me to include this variable while simultaneously remaining open to exploring if and how it is connected to other variables. The principles of a heuristic approach are outlined below by Moustakas:

*'Heuristics is a way of engaging in scientific search through methods and processes aimed at discovery; a way of self-inquiry and dialogue with others aimed at finding the underlying meanings of important human experiences', (Moustakas 1990: 15).*

It is, in essence, an explorative and inductive approach, whereby theoretical explanations are only formulated *after* completion of the fieldwork. Yet, just because I decided to use a heuristic model, does not mean that I discount all of the other theoretical models. Indeed, we do not need to throw the baby out with the bathwater. These models, although (as shown previously) perhaps unable to account for the phenomenon of migrant entrepreneurship within core-to-(semi)-periphery contexts, still offer extremely valuable elements which can form the basis of the heuristic model for this study. In particular, I borrow Kloosterman's (2010) division of 'micro', 'meso', and 'macro' layers as a way of dividing the complex phenomenon of migrant entrepreneurship up into manageable pieces. In terms of the micro level, I include all variables of agency, notably migrants' access to resources (from which I borrow Light & Gold's (2000) typology of human, financial, social, and cultural capital) but, importantly, I also include the role of *motivations* which, as noted earlier in this chapter, has often been neglected in many of the leading models within the field. In terms of the macro level, I include the environment within which the migrants of the study operate (namely, Wrocław and Poland), but - and once again this is important - I expand the macro layer to incorporate a supranational environment existing beyond the borders of the host-country. Finally, in terms of the meso level, my goal was to include everything which happens between the micro and macro levels, notably, migrants' businesses, including the opportunity structures they access, as well as their (ethnic) division of labour. A rough outline of this heuristic model can be seen in Figure 1.1 below.

**Figure 1.1. Heuristic model showing possible variables involved in the phenomenon of migrant entrepreneurship**



Source: My own interpretation based upon the typologies of Kloosterman (2010) and Light & Gold (2000), albeit with additions of my own, namely, that of 'motivations' and the 'supranational environment'.

At this point, I should point out that there are no doubt some overlaps here between the three levels. For example, some authors might argue that social capital belongs to the meso level, as one's social contacts are inherently 'external'. However, by the same token, we could argue that financial capital, that is to say one's access to money and possessions of financial value, is similarly external to the individual and, therefore, also belongs to the meso level. Furthermore, there might be overlaps in terms of migrants' business opportunities, as they undoubtedly involve elements from all three levels. As such, this heuristic model should not be considered to be a finalized or 'exact' representation of the phenomenon of migrant entrepreneurship. No, the purpose of this model was to provide a simplified theoretical starting point in the form of a 'rough map'. In doing so, I aimed to include all possible variables while remaining open to heuristically researching if and how the variables are connected. Or, to put it another way, my goal was to include all potential 'ingredients', while subsequently exploring the 'recipe'.

## 1.5. Research questions

*'Heuristic inquiry is a process that begins with a question or problem which the researcher seeks to illuminate or answer. The question is one that has a personal challenge or puzzlement in the search to understand one's self and the world in which one lives', (Moustakas 1990: 15).*

Moustakas, above, highlights the personal nature of a heuristic approach. Indeed, this is also true of this study whereby, as a migrant entrepreneur from the UK, living and working in Poland, the original impetus for this research is rooted in my own personal experiences. Like all social scientists, I am attempting to understand the world around me and why, specifically, many of the leading migrant entrepreneurship theories seem to bear little or no resemblance to my own circumstances (and that of Francesco and other migrant entrepreneurs from core-states with whom I had already spoken). Yet, even an heuristic inquiry requires a 'point of entry' from which to begin the research. As such, I begin with a purpose statement, below, which in turn is subdivided into manageable research questions.

### **1.5.1. Purpose statement**

The purpose of this project is to study 'up' within the field of migrant entrepreneurship by exploring the phenomenon of migrant entrepreneurs from core-states in the emerging economy of Wroclaw, Poland. Studying 'up', as a relative term, requires a 'down' against which to position itself. As such, this is a comparative study of migrant entrepreneurs from core *and* periphery countries. As a 'middle-ground', semi-periphery environment within the global economic spectrum, Wroclaw is a setting in which both groups can be simultaneously compared in a neutral, 'fixed' environment, using migrant entrepreneurs from periphery regions as a point of comparison. Specifically, the study aims to explore variations of motivations and resources (financial, human, social, and cultural) between the two subject groups, the interactions of these motivations and resources within the semi-periphery environment of Wroclaw, Poland, and the wider international context and, finally, how these variations and interactions can be theoretically explained.

### **1.5.2. Research Questions**

1. How do migrant entrepreneurs from core and periphery countries, in the 'middle-ground', semi-periphery environment of Wroclaw, Poland, vary in their motivations and access to resources (financial, human, social, and cultural capital)?
2. How do these variations interact with the environment of Wroclaw, Poland, and the wider international context and how does this affect the everyday management of the firm, (ethnic) division of entrepreneurial labour, and the position of the firm in the wider economy?
3. How can these variations and interactions be theoretically explained?

## 1.6. Structure of this dissertation

In this first chapter, I have presented the case for why we should study 'up' in migrant entrepreneurship, using the anecdotal example of Francesco as a way to illustrate how migrants in core-to-(semi-)periphery migratory contexts might be problematic for many of the current theories. Having critiqued these theories, I then proposed my own heuristic model, as well as three main research questions, which serve the purpose of guiding the study.

In Chapter 2, I outline the research methodology used in the study. Specifically, I provide a rationale for the location of the study (Wroclaw, Poland), the research design, study (Wroclaw, Poland), and the methods selected.

Chapter 3 is the first of two chapters which address Research Question 1, namely, the variation between migrants' motivations and micro level resources. This chapter, specifically, concerns itself with the topic of migrants' motivations, which I divide into two separate questions. First, why move to Wroclaw? Second, why open a business? I then present the findings in a comparative way, outlining variations (and similarities) between the two groups of migrant entrepreneurs.

In Chapter 4, I continue the analysis of migrants' micro level resources, but this time consider their access to financial, human, social, and cultural capital. Once again, I do this in a comparative way, providing insight into how the two groups vary in their access to such forms of capital.

Chapter 5 is the first of three chapters in which I begin to address Research Question 2, namely, how migrants' micro level resources (outlined in Chapters 3 and 4) interact with the meso and macro level environment. In particular, I focus on how the migrants vary in the location of the opportunity structures which they access. I then, subsequently, search for reasons for the variations encountered. In doing so, I explore how migrants and their resources, when situated within the wider, macro level environment), interact differently, leading to variations in the meso-level opportunity structures which they access.

In Chapter 6, I continue the focus upon how migrants and their resources interact with the environment, albeit switching the focus to the phenomenon of ethnic enclaves. Once again, I do this in a comparative way, providing insight into how the two groups seem to differ in the type and formation of such enclaves. And, once again, I attempt to position the meso-level variations encountered within the context of a wider, macro-level environment.

In Chapter 7, the final empirical chapter, I explore migrants' relative levels of privilege and disadvantage. Once again making use of comparisons between members of each group, I show how privilege and disadvantage are manifested in the business practices and everyday lives of migrants. I then, subsequently, explore the underlying reasons for variations in their privileges and disadvantages and, once again, consider how migrants' micro-level resources interact with a wider, macro-level environment.

In Chapter 8, I attempt to answer the third and final research question, namely, how the data presented in chapters 3-7 can be theoretically accounted for. In order to do so, I propose the concept of 'Global-embeddedness'. I then unpack this concept, demonstrating how it can explain the variations between the two subject groups and their interactions with the wider environment.

Chapter 9 is the final chapter and provides a summary and conclusions of the study, as well as exploring the implications both within - and beyond - the field of migrant entrepreneurship.