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Studying 'up' in migrant entrepreneurship

Privileged migrant entrepreneurs in Wroclaw, Poland

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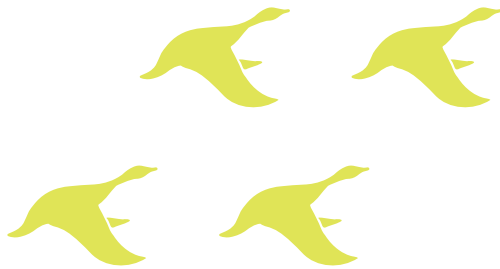
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4.



CHAPTER 4

**Migrant entrepreneurs'
access to resources:
The other side of the coin?**



Abandoning his pre-med major at a prestigious Ivy League university, Arthur (USA) moved to Poland in the early 1990s to explore opportunities in the country's newly formed real estate market. It was there when, completely by accident, he stumbled across Wroclaw after his car broke down nearby. Subsequently taking a liking to the city, he decided, using some of the \$200,000 USD he had made from selling half of his previous business in the USA, to buy a building in the market square.⁴³ Initially thought of as a real estate investment, he struggled to find tenants for what he considered to be the perfect location for a restaurant. So, with no willing restaurateurs, he opened one himself. Leveraging a contact of his within the fast food industry in the USA, he arranged to buy the licensing rights for Wroclaw for a renowned American fast food franchise. This, combined with all related expenses, cost him over three million USD. He was able to secure the capital required by borrowing one million USD from a friend and two million USD from a bank. Despite not speaking any Polish, he somehow managed to meet all the extensive bureaucratic requirements for opening the restaurant and was soon serving his first customers. Following the collapse of communism, the ability to consume American fast food was apparently very appealing to the local population and, as a result, the business boomed. Some 25 years later, after expanding his fast food franchise across Europe, he sold his controlling stake in the company, now valued (at the time of writing) at over one billion USD, (Arthur, USA, former restaurant franchise owner).

4.1. Introduction

This is the second chapter concerning itself with the question of agency. While Chapter 3 looked at the motivations of migrant entrepreneurs, this chapter looks at migrant entrepreneurs' *access to resources*. But what are these resources? According to Light & Gold (2000), they consist of four forms of capital (financial, human, social, and cultural), all of which can assist with production and productivity.⁴⁴ Indeed, financial capital (ibid; Bruder et al. 2011), human capital (ibid; L. Altinay & E. Altinay 2008; Kerr & Lincoln 2010), social capital (ibid; Zimmer & Aldrich 1987; Katila & Wahlbeck 2012; Lin & Tao 2012), and cultural capital (Johnson 2000; Min & Bozorgmehr 2000; Nee & Sanders 2001) have all been shown to play a

43 According to Arthur, this building, following the fall of the communist regime, was one of the first buildings in the town square to be privatized.

44 Light & Gold (2000: 84) refer to these four forms of capital as 'class resources'. They also write about additional resources specific to ethnic minorities, namely, 'ethnic resources'. However, for the purposes of this paper, I do not distinguish between 'ethnic' and 'class' resources and, instead, refer only to 'class resources', which I do under the terms 'resources' and 'forms of capital', which I use interchangeably.

role in shaping migrant entrepreneurship. However, within the literature's almost exclusive focus upon migration in (semi-)periphery-to-core contexts (Ilhan-Nas et al. 2011; Dheer 2018), migrant entrepreneurs have often been found, relative to the native population, to be *lacking* in many of these resources. Specifically, they have been shown to have low levels of financial capital (Wilson & Portes 1980; Light et al. 1994; Kloosterman 2010), human capital (Johnson 2000; Kloosterman & Rath 2002), and host country cultural capital (Nee & Sanders 2001), while often compensating for this via high levels of co-ethnic social capital (Min & Bozorgmehr 2000; Drori & Lerner 2002; Portes & Shafer 2006; Ram et al. 2008). This restricted access to resources, and how such shortages hinder access to the mainstream labour market, has been the central premise upon which Disadvantage Theory (Light 1979; Johnson 2000; Clark & Drinkwater 2010) has been founded. But do migrants, in an 'upside down', core-to-(semi-)periphery context, also lack access to resources? For example, does Arthur (highlighted above), display low levels of financial, human, social, and cultural capital? With the exception of his limited levels of *Polish* cultural capital (not speaking Polish), it would seem that he does *not*. He, seemingly, has high levels of financial capital (with existing funds of \$200,000, plus the ability to borrow much more), human capital (having been educated at an Ivy League university in the USA, albeit not completing his studies), social capital (high level contacts within the USA fast food industry), and cultural capital (with English language skills and 'Americanness' which, apparently, in the environment of Wroclaw, was very desirable). Could it be, then, that migrant entrepreneurs like Arthur, who have migrated in a core-to-(semi-)periphery direction, are more likely to have *greater* access to such resources? Indeed, this notion is supported by other studies which found certain groups of migrant entrepreneurs from core-states to have above average levels of financial (Drake & Collard 2008; Harima 2014), human (Stone & Stubbs 2007; Marchant & Mottiar 2011), and cultural (Andrejuk 2017) capital. Yet, by leveraging his high level home country contact within the fast food franchising industry, Arthur also seems to be mirroring the behaviour of migrant entrepreneurs from periphery-states, who, as stated above, were often found to rely upon co-ethnic social capital. Subsequently, assumptions of a clear-cut binary distinction between core and periphery might be misfounded. As a matter of fact, even within (semi-)periphery-to-core migratory contexts, it has been shown how migrant entrepreneurs do not always lack access to resources. In certain contexts, they have been shown to have relatively high levels of human (Saxenian 1999; 2002), financial (Light & Gold 2000; Froschauer & Wong 2012), social (Leung 2001; Katila & Wahlbeck 2012; Lin & Tao 2012); and cultural (Masurel et al. 2002) capital.

But what about the migrant entrepreneurs in this study? How do their situations, in terms of their access to resources, fit into all this? Below, I will explore how, if at all, migrant entrepreneurs from core- and periphery-states vary in their access to resources. This section draws upon data from the qualitative interviews and, as

such, information about forms of capital were usually spoken about in relation to their businesses (i.e. the *mobilization* of these resources), so it is difficult to separate this from how it interacts with the environment. For this reason, much of the data about migrant entrepreneurs' access to resources will be presented in Chapters 5, 6, and 7 (which look at how forms of capital interact with the wider environment). That being said, there are still some broad trends which I would like to highlight here below. In line with Light & Gold's (2000) typology,⁴⁵ mentioned above, the chapter is divided into four sections, each focusing upon one of the four forms of capital: financial, human, social, and cultural.

4.2. Financial capital

The correlation between access to financial capital and entrepreneurship has been well documented (Light & Gold 2000; Watson et al. 2000; Galbraith et al. 2007; Drake & Collard 2008). Yet, once again, within the literature and its almost exclusive focus within (semi-)periphery-to-core migratory contexts, many studies have found that migrant entrepreneurs 'tend to lack financial resources or do not have easy access to significant funds' (Kloosterman 2010: 28). But what about migration in the opposite direction? Are migrant entrepreneurs from core-states also likely to lack access to financial capital? Considering the uneven distribution of wealth between core- and periphery-states, one might be tempted to assume that they are more likely to have *greater access* to such capital. Indeed, as seen above, the case of Arthur from the USA appears to lend support to this. He is one of 14 (34%) migrants from the core-state subject group (see Table 4.1.) who demonstrate significant access to financial capital and, as such, is in line with other studies showing relatively high levels of financial capital among migrants from core-states (Drake & Collard 2008; Harima 2014). Table 4.1, below, provides a basic outline of the subject groups' comparative access to financial capital.

45 This typology closely relates to the ideas of Bourdieu (1984). Light & Gold (2000), however, apply this typology specifically toward the phenomenon of migrant entrepreneurship and, as such, citing their work seems more relevant to this study than citing Bourdieu. Having said that, Light & Gold (ibid: 84) distinguish between these four forms of capital (aka 'class resources') and 'ethnic resources', which is something I seldom do in this dissertation, so in this respect my approach is admittedly more in line with Bourdieu who does not distinguish between the two.

Table 4.1. Access to financial capital: Core vs. periphery subject group comparison

	Migrants from core-states		Migrants from periphery-states	
	(%)	(#)	(%)	(#)
Demonstrates significant (access to) financial capital	34	14	12.5	3
Does NOT demonstrate significant (access to) financial capital	66	27	87.5	21

Source: Aggregated data from qualitative interviews from this study.

The enhanced access to financial capital of migrants such as Arthur can, of course, influence their business practices. Among other things, it can play a role in enabling (or restricting) the specific business opportunities which can be accessed (Kloosterman 2010). For Arthur, buying a renowned American restaurant franchise, along with associated expenses, cost him over three million USD. As such, it seems that this is an opportunity which is only accessible to those with (access to) relatively high levels of financial capital. Another good example is that of Stewart, from California, who set up his own vineyard next to Wrocław:

“[It] cost 3 million zloty to get started. Financed it all ourselves with our savings, which is cool because there are no shareholders, so now we’re free. Whereas my competitors financed it and had to keep paying back the loan. Whereas I can focus on quality. Economics would not teach you to do this, because they want fast return”, (Stewart, USA, vineyard).

What Stewart’s quote does not reveal is that he had to wait several years for his vines to yield grapes. Let us consider this situation for migrants with restricted access to financial capital. Would it be possible for them to buy all the necessary land and spend several years, without revenue, waiting for the vines to grow? It seems unlikely. Therefore, it would appear that both the vineyard industry, and certain fast food franchises, are at the ‘upper’ end of the spectrum of opportunity structures.

Conversely, many migrant entrepreneurs (21: 87.5%, as shown in Table 4.1) from periphery-states talked about their difficulties with raising financial capital. Symon (Ukraine), is a good example:

“We thought about a different sphere. We thought about optics [an optical shop]. But it’s hard for us to start like this...the main [barrier] was the investment. The investment was quite high. Because the main investment in this sphere is products...and if you buy products you should sell them.

And what should I do if I can't sell them?...if I want to start a company from zero, I will have nothing. It's a lot of investment, a lot of marketing, a lot in advertisement, a lot of money", (Symon, Ukraine, courier agency).

Again, we can see here how financial capital can influence (or, in this case, *block*) access to certain business opportunities. For Symon, it was essentially a lack of financial capital which blocked him from opening a shop selling optical lenses. He subsequently decided to open a courier agency, because it required a smaller initial financial investment. As such, Symon's situation seems more in line with the narrative of the 'disadvantaged migrant' who can only 'set up shop at the lower end of this opportunity structure' (Kloosterman 2010: 4). This relationship between opportunity structures and migrant entrepreneurs access to resources will be further developed in Chapter 5.

However, in contrast to the situations of Arthur, Stewart, and Symon, mentioned above, this study also unearthed several examples of the *exact opposite*, showing that any deductive assumptions of a core-periphery wealth divide might be misfounded. This is captured perfectly in my encounter with two migrant entrepreneurs, one from the USA, and one from Ukraine, and two cups of coffee, as recounted below.

The first cup of coffee

For the first cup of coffee, I walk into a large cafe, situated right in the heart of Wroclaw and with maximum foot traffic. The ceilings are high, elegant chandeliers hang down, and a team of professional baristas are bustling around behind the counter in front of a large selection of expensive looking stainless steel-clad coffee machines. The owner greets me and offers me a choice of what seems like 100 ways to roast and brew coffee. I opt for the 'lightly-roasted, cold-pressed' option. He then calls out to one of the baristas, who picks up a mug and sets to work preparing my coffee.

The second cup of coffee

Now, let us leave this scene and jump to my second cup of coffee. Further from the centre, not far from the railway tracks, I am walking around the outside of an old, redbrick factory. With its original purpose clearly no longer in operation, much of the building looks abandoned, except for several independent-looking stores which appear to have sprouted into existence on one side of the building. I walk, looking for a sign saying 'cafe' or 'coffee', or some indication where I should be meeting the owner of a coffee roasting business. At the end of the building, I see a door and peer inside. I gaze upon a man behind a bar made of homemade chipboard, pouring coffee beans into some device. The device, I am later told, is a coffee roaster. Yet, this coffee roaster was unrecognizable from the steel-clad machines from the previous cafe. No, this coffee roaster, I am proudly told, was homemade.

And, indeed, it looked very much homemade. A small barrel, fixed upon a piece of wood. The man hits it with a mallet. 'Coffee?' he asks with a friendly smile.

But what is my point here? Well, up until now, I have avoided telling you which coffee roaster is from the USA and which is from Ukraine. As you have probably guessed, it is a reversal of what you might consciously or subconsciously assume from a core-periphery wealth divide. Andriy (Ukraine) is the owner of the fancy-looking cafe in the heart of Wroclaw, while Paul (USA) is the man with the homemade coffee roaster in the abandoned red brick factory. Paul, lacking significant access to financial capital, was restricted in the location of his cafe, subsequently opting for a cheaper venue further from the center. Andriy, by contrast, rents prime real estate and purchased state-of-the-art equipment costing in excess of 30,000 Euro. Indeed, Paul was not the only migrant from a core-state to display a lack of access to financial capital. Anna, also from the USA, talks of her struggles:

"I tried to get a loan last year for expansion. I not only got rejected, I got rejected on a really really bad offer. And that was super depressing, because I have extremely good credit in the US, but I have no credit here. And so I have no credit history, which means that I had to do everything based on the results of my business which don't look great. So, they did not want to give me good terms, but then they decided to reject it anyway." (Anna, USA, arts & crafts store).

Clearly, then, we cannot deductively assume that spatial variations in global wealth will be neatly distilled and representative on a micro level. As seen with Paul, Anna, and Andriy, it cannot be assumed that, by virtue of originating from core-states, they have greater access to financial capital than those from periphery-states. Of course, some migrants do indeed fit within the stereotype of a 'core-periphery rich-poor' divide, such as Arthur and Stewart (USA), who both demonstrate extensive wealth, as well as Symon (Ukraine) who, conversely, lacked the funds to buy the inventory required to start his own optical lens shop. However, what is surprising here is the large number of migrants from the core-state subject group who do not fit within this stereotype. Migrants such as Paul and Anna (USA, mentioned above) are representative of the many other migrants (27: 66%, as shown in Table 4.1) from the core-state subject group who came to Poland with little or no savings nor access to financial capital. These migrants seem to be in stark contrast to the 'super rich transnational elites' observed by Beaverstock (2002) or the 'transnational capitalist class' outlined by Sklair (2012) in other core-to-(semi)periphery migratory contexts. So, how can it be that so many of the migrants in this study, despite originating from core-states with high levels of GDP per capita, seem to possess relatively

low levels of financial capital?⁴⁶ One obvious suggestion is that wealth (both in core- and periphery-states) is not equally distributed. It could be that many of the migrant entrepreneurs from core-states simply do not originate from the ‘upper’ end of this distribution within their own countries. For such migrants, relocating to an economically less developed location (Wroclaw) might, as observed in Chapter 3, subsequently be viewed as an act of ‘geoarbitrage’ (Hayes 2014), providing them with a way to increase their relative wealth.⁴⁷ Conversely, for those emigrating from periphery-states who demonstrate relatively high levels of financial capital, such as Andriy (Ukraine, highlighted above), perhaps they originate from the upper end of the economic spectrum of their home countries. Indeed, it has often been observed that it is rarely the poorest who emigrate from periphery-states, but in fact is more often those with access to financial capital (De Haas 2007). Regardless of the explanation, this study highlights the extensive individual variation of migrant entrepreneurs in terms of their access to financial capital. Of particular importance is how, despite observing a very slight trend of migrants from core-states being more likely than those from periphery-states to have greater access to financial capital, such access cannot always be assumed purely based upon migrants’ geographical location of origin. As such, it once again shows how migrant entrepreneurs, whether they originate from core- or periphery-states, cannot be treated as homogenous groups (Oliveira 2007).

4.3. Human capital

Taking education level as the primary indicator of human capital, it has been well documented in the literature how this can affect migrant entrepreneurship (L. Altinay & E. Altinay 2008). In accordance with Disadvantage Theory, it has been claimed that lower levels of education can act as a barrier to mainstream employment, resulting in migrants turning to entrepreneurship out of necessity (Johnson 2000; Clark & Drinkwater 2010). Yet, the exact opposite (that higher levels of education lead to higher rates of entrepreneurship) has also been claimed (van Tubergen 2005; Hunt 2010). Indeed, the latter’s argument is that a lack of education not only acts as a barrier to mainstream employment, but also acts as a barrier to the skills required to successfully run one’s own business. Regardless of which

46 It is perhaps not surprising that both groups had examples of low access to financial capital. This is because most of those interviewed were from the list of sole proprietorships provided by the Wroclaw Statistical Office. Sole proprietorships tend to be smaller than LLCs, so it is not surprising to hear stories of financial struggles on both sides. It would, perhaps, be interesting to extend the research to LLCs to see if this changes things. However, due to the LLC lists not revealing company owners, this makes it pragmatically much more difficult to investigate.

47 This theme is further developed in Chapter 7.

is more accurate, the narrative of the 'disadvantaged migrant', with low levels of education, remains. But what about in an 'upside down' core-to-(semi-)periphery migratory context? Is such a narrative also applicable? In the case of Arthur (in the introduction to this chapter), who was educated at an Ivy League university in the USA, it seems this cannot necessarily be assumed. Indeed, as shown in Table 4.1., Artur seems to be representative of a broader trend with 80.49% (33) of migrants from the core-states subject group with university education. The topics of their degrees span multiple fields, including finance, IT, chemistry, engineering, architecture, business, management, and project management. This high level of education seems in line within other studies of migrant entrepreneurs from core-states (Tubergen 2005; Marchant & Mottiar 2011). Yet, even in (semi-)periphery-to-core migratory contexts, other studies have also shown certain groups of migrant entrepreneurs to have relatively high levels of education (Saxenian 1999; 2002). Indeed, this study lends support to this, with 80% (20) of the migrant entrepreneurs from periphery-states likewise having attended university. For example, Artem (Belarus, translation) has a degree in history, while his partner (also from Belarus and running her own cosmetic surgery practice) similarly appears to have no shortage of university level education:

“She has medical education, education as a lawyer, she doesn't practice law, she likes medicine and she practices medicine, now she studies in medicine continuing education, and I guess in a year she will get the second education, second university, she has a lot of courses and development”, (Artem, Belarus, speaking about his partner, also from Belarus, who runs their own cosmetic surgery practice in Wroclaw⁴⁸).

Again, among those from periphery-states, the degree topics range across multiple fields, including history, medicine, languages, business, marketing, zoology, and logistics (among others). As such, it seems that, regardless of whether migrants originate from core- or periphery-states, a lack of education cannot necessarily be assumed. To be sure, Table 4.2, below, shows how both subject groups demonstrate almost identical rates of university education.

48 Artem did not want me to interview his wife, but instead provided all answers on behalf of his wife.

Table 4.2. Education level: Core vs. periphery subject group comparison

	Migrants from core-states		Migrants from periphery-states	
	(%)	(#)	(%)	(#)
University educated	80.49%	33	80%	20
High school or lower	19.51%	8	20%	4

Source: Aggregated data from qualitative interviews from this study.

However, not all migrants in the study were university educated. As also shown in Table 4.2, a small number of migrants from *both* subject groups only attended high school (or lower). In terms of those from core-states, 19.51% (8) of them did not attend university. Bruce (Australia) is one such example:

“I’m a double drop out. I’m lazy as shit... I managed to get through high school, passing with c minuses. The occasional moment of genius, but on zero effort. Never did any homework, I studied on the morning of the exam, that kind of thing”, (Bruce, Australia, online affiliate marketing).

The case of Bruce is in line with a handful of other studies showing that high levels of education among migrants from core-states cannot always be assumed (Stone & Stubbs 2007).⁴⁹ As with those from the core-states, there are also a minority (20%) of migrants from periphery-states who do not possess any university education. Interestingly, these seem to be situated mainly in the construction sector. For example, Maxim (Belarus) who has worked in this line of work (predominantly in Belarus and Russia) since he was 15 years old. Likewise, Danilo (Ukraine) quit university after a few months to work in construction and learned the skills from his father. Yet, despite low levels of education, Bruce, Maxim, and Danilo all run relatively successful businesses. This demonstrates how a lack of education does not necessarily correspond to a lack of skills required to open and run a business and, as such, seems at odds with Tubergen’s (2005) and Hunt’s (2010) findings that low levels of education decrease the rate of entrepreneurship. How then, can this be explained? First, there are, of course, many other input factors besides human capital (as outlined above and below), not even mentioning the role of the environment and its interactions with these resources (Waldinger et al. 1990; Kloosterman et al. 1999). However, even staying within the scope of human capital, there might be a possible explanation. It seems that Bruce, Maxim, and Danilo, have all acquired skills outside of formal education, namely, via work experience.

⁴⁹ In Stone & Stubbs (2007) study, it was found that UK migrant entrepreneurs who migrated to Spain were much less likely to be university educated than those who migrated to France).

Although somewhat more difficult to measure, this can also be considered as a component of human capital (Light & Gold 2000) and it offers a way to explain how migrants can obtain the skills necessary to open and run successful businesses while still lacking formal qualifications (Kerr & Lincoln 2010). That being said, there were also examples, within both subject groups, of migrants choosing industry sectors totally unrelated to their previous work experience. As seen in Chapter 3, Roberto (Italy) chose to open an Italian restaurant because, as a criminal lawyer in Italy, he wanted something totally different as a way to 'relax' and escape. For Veronica (Ukraine) it was a similar story. She left her job, importing construction materials, to open her own bakery-cafe, despite having no previous experience working in this sector. As such, correlations between work experience and industry sector cannot always be assumed. Regardless, the most important finding here is that both groups of migrant entrepreneurs, whether they originate from core- or periphery-states, display relatively high levels of education and, as such, the level of education seems unlikely to play a significant role in variations between the migrants' business practices.

4.4. Social capital

“The reason I succeed is I have, you know, something like 25,000 contacts and can pick up the phone to pretty much anybody and say do me a favour and give me 5 minutes of your time”, (Connor, Ireland, IT company).

The role of social capital in shaping migrant entrepreneurship outcomes has featured prominently in the literature. Scholars have explored how this role can be both positive (Zimmer & Aldrich 1987; Light & Gold 2000; Katila & Wahlbeck 2012; Lin & Tao 2012) and negative (Geertz 1963; Portes & Sensenbrenner 1993; Flap et al. 2000). Yet, once again, the majority of these studies have been in (semi-) periphery-to-core contexts, usually restricting the focus to within the borders of the host country, often centered around the idea of Ethnic Enclaves in the immediate environment (Wilson & Portes 1980; Light et al. 1994; Portes & Shafer 2006). But what about migrants' social capital *outside of the host country*? Does it not also play a role in shaping migrant entrepreneurship? As such, this section will explore not only the levels of migrant entrepreneurs' social capital, but will also pay particular attention to its *location*.

First, however, I would like to better define what exactly I mean when I use the term 'social capital'. After all, it is a broad term which, within the literature, has often been subdivided into three groups, namely: 'friends and family members, ethnic community and the host society' (Dheer 2018: 595). Such a division, however, seems quite 'host country centric' and largely ignores the role of social capital in - or originating from - migrants' home (or even third party) countries. Subsequently, for

the purposes of this study, whereby I encountered a lot of data relating to the use of migrants' social capital from *outside of Poland*, such categories seem somewhat narrow. As such, I adopt a broader method of categorisation which works on two (functional and geographic) levels. First, on a functional level, I consider social capital to be any social contacts which affect (positively or negatively) migrants' businesses. Within this, I then further subdivide this into two functions: i. social capital which affects supply (e.g. labour and production); and ii. social capital which affects demand (e.g. clients and sales). Second, on a geographic level, I explore how migrants' social capital varies according to its geographic location and origin. Given that the goal of this chapter is to describe migrants' forms of capital, leaving the ways in which it interacts with the environment for subsequent chapters (namely, Chapters 5, 6, and 7), the remainder of this section focuses principally on this second level. How, then, do the two subject groups vary in the geographic location and origin of their social capital?

Indeed, as mentioned above, the role of social capital has often been restricted to within the borders of the host country.⁵⁰ Yet, when observing the core-state migrants in the semi-periphery context of Wrocław, it becomes immediately apparent that much of their social capital is situated in core-states, well beyond the borders of the host country. This should actually not come as a surprise, given that most migrant entrepreneurs from core-states have spent much of their lives studying there, working there, making connections along the way. For example, Connor (from Ireland, quoted at the beginning of this section), boasts of having '25,000 contacts' whom he has largely accumulated throughout his time in Ireland, the UK, and California. In other words, prior to moving to Poland, he had acquired a significant amount of social capital from (and situated in) core-states.

Nevertheless, social capital is, of course, a non-static variable and can change over time. Indeed, having been living in Wrocław where he has been running his own IT business for the past six years, Connor has been actively acquiring social capital on a more local level. He is a prolific networker and hosts a monthly 'coffee morning' networking group for entrepreneurs at one of the local universities. Through such networking, he has met, and subsequently hired, several local (Polish) programmers, who now work for his company. As such, Connor's situation seems representative of three broader trends among the migrant entrepreneurs from the core-states subject group. First, it shows how the level of local social capital seems to correlate with the length of time spent in Wrocław.⁵¹ This is unsurprising, given that the longer someone stays somewhere, the more likely they are to acquire social

50 With the exception of scholars of transnational entrepreneurship (for example Chen & Tan 2009; Solano 2015; Bagwell 2018).

51 I refer here to the number of both weak and strong ties (Granovetter 1973) which seem to increase over time in the location in which migrants are residing. This does not, however, mean that migrants' pre-existing social capital (accumulated prior to moving to Wrocław) necessarily decreases over time. As a matter of fact, as will be seen in Chapter 5, many migrants (notably those from core-states) seem to make use of this pre-existing social capital.

capital over time (Williams & Krasniki 2018). Second, it is important to note how most of his local social capital originates either from Poland or core-states. The significance of this will become increasingly apparent through the remainder of this dissertation. Third, he appears to be using local, Polish social capital as a means of supply, with his ethnic division of labour being apparently entirely composed of Polish nationals. On one hand, Connor's situation appears to be confirming the key role played by local social capital in migrant entrepreneurship (Zimmer & Aldrich 1987; Light & Gold 2000; Lin & Katila & Wahlbeck 2012; Lin & Tao 2012). Yet, on the other, his composition of social capital, and how it is not co-ethnic, seems to be at odds with the ideas of Ethnic Enclave Theory (Wilson & Portes 1980; Light et al. 1994) which stress the important role played by co-ethnic labour. This correlation between migrants' social capital and their ethnic division of labour will be explored on a much deeper level in Chapter 6.

Switching the focus now to the periphery-states subject group, let us return to Danilo (Ukraine), who runs his own small construction firm in Wroclaw with four employees. On first impressions, his situation seems to mirror that of Connor's. Having also lived in Poland for several years, he has built up a pool of contacts from which he has hired all of his employees. Yet, upon closer examination, there are two important ways in which Danilo's social capital seems to differ from that of Connor's. First, while Connor's local pool of contacts consists mainly of Poles and people from core-states, Danilo's seems to be composed much more of co-ethnic Ukrainians. This is perhaps unsurprising, given that 1. prior to coming to Poland, Danilo spent most of his life in Ukraine so, understandably, he has built up a social network largely composed of Ukrainians, such as his wife, parents, and sister, all of whom have joined him in Wroclaw; and 2. there is a large in-flow of Ukrainian migration to Wroclaw which has provided an extensive co-ethnic pool of social capital. It has been shown in the literature how migrants with shared linguistic and cultural background tend to cluster together (Portes & Wilson 1980; Portes & Jensen 1989), so it is perhaps to be expected that Danilo seems more inclined to build connections with this plentiful supply of co-ethnic social capital. Second, unlike Connor who is exclusively hiring Polish labour, all four of Danilo's employees are Ukrainian. The reasons for this will be explored in depth in Chapter 7. For now, however, it is sufficient to point out that Danilo's circumstances seem to exemplify the ideas of Ethnic Enclave Theory, whereby his business is benefiting from a plentiful supply of co-ethnic labour.

Despite these apparent variations between Connor and Danilo, which themselves are largely representative of broader trends between the core- and periphery-states subject groups, I would like to stress once again that, as a non-static variable, migrants' social capital can (and indeed does) change over time. Just because migrants from periphery-states start out with their social capital predominantly composed of periphery-state contacts, does not mean that they cannot later acquire contacts from core-states. As a matter of fact, for Danilo

(Ukraine), it is something he would like more of, but he finds it difficult. At his construction company, all of his clients, until recently, have been Polish. During our first interview, he tells me that he had just been contracted by a Polish client for a project in the Netherlands. He explained how the Polish company, despite not doing any of the actual construction work themselves, made a profit by subcontracting the project to him and then simply 'sitting in the middle'. I asked Danilo why he does not contact clients in the Netherlands directly, so that they could cut out the middleman, subsequently making more profit and saving the Dutch clients money. He said he would like to, but he does not have the contacts. More recently, I spoke with Danilo again and he told me he is now doing a second project for that very same Dutch client, but this time he has contracted with them directly. It seems, therefore, that he has started the process of acquiring social capital in core-states. As such, it highlights how migrants' social networks can change over time. For Vanko, also from Ukraine, it is a similar story. Through repeated trips to the USA, and through meeting prospective clients face-to-face, he has, over time, been able to accumulate social capital there:

"I visited the US many times and I have some connections there. They return to me and say can you do this for us and I say of course...Conferences, LinkedIn as well, sometimes as I mentioned just word-of-mouth...With customers you have to meet them personally, because you have to create the trust...we met several times", (Vanko, Ukraine, IT company and security systems).

Clearly, then, an a priori determination of the geographic origin of social capital, based upon migrants' locations of origin, does not rule supreme. Migrant entrepreneurs have an element of agency, whereby, despite originating from a certain region, they can, over time, acquire social capital in other regions, as demonstrated by Vanko and Danilo above. Nevertheless, this process of social capital acquisition is not always an easy, nor even, process. As will be seen in Chapter 7, migrants from periphery-states appear to face more legal restrictions than their counterparts from the core-states subject group in terms of their international mobility. Visa requirements, imposed by national governments, can block them from legally traveling to many core-states (Beaverstock 2002; Fechter 2005; Sklair 2012), subsequently curtailing their ability to acquire social capital in such locations. As such, although migrants appear to have an element of agency in terms of their social capital acquisition, it appears to be within an uneven (and, frankly, unfair) macro level environment. The role of this macro level environment will be examined in greater detail in subsequent chapters. For the purposes of this section, however, the key point is that the two subject groups seem to vary (in most cases, but not all) in the geographical origin of their social networks, whereby migrants from core-states are more likely to have social networks composed of

core-state social capital, while migrants from periphery-states are paradoxically more likely to have networks composed of social capital from periphery-states.

4.5. Cultural capital

“They expect Ukrainians to speak Polish and, if they don't, then they really don't like it. Whereas there are Americans and British people who have lived here for a whole long time and don't speak Polish and people would give them a pass. So I haven't quite figured that one out”, (Anna, USA, art & craft store).

The role of cultural capital has featured prominently in the field of migrant entrepreneurship. Cultural theory has been a popular way to account for how two different cultural groups, within the same environment, can vary in rates of entrepreneurship (Masurel et al. 2002; 2004; Fregetto 2004). However, this claim is weakened by evidence that the same cultural group, when situated in two different environments, can also have varying rates of self-employment (Min & Bozorgmehr 2000; Rekers & Van Kempen 2000). Subsequently, there is now a general consensus that cultural traits cannot be the only factor at play. Yet, it is still understandably included as an input variable in the leading migrant entrepreneurship models (Kloosterman et al. 1999; Waldinger et al. 1990; Chen & Tan 2009) and it seems likely to play a role, albeit not a definitive one. So, with regard to migrant entrepreneurs from core- and periphery-states, how do they vary, if at all, in their composition of cultural capital? As one of the major components of culture, language will be the main focus of this section. This is not to say that other aspects of culture are not important. As noted by Light & Gold (2000), there are, of course, other components to cultural capital, including tastes or actions signifying a bourgeois status (Bourdieu 1984), occupational traits (Farkas 2017), and even entrepreneurial culture (Berger 1995). Language, however, lends itself more easily to being quantified, allowing comparisons between the two groups. Further, it is likely the case that someone who speaks the language of a certain culture has simultaneously acquired knowledge of cultural traits specific to that culture. Thus, using language as an indicator of cultural capital, this section will explore, below, variations between the two groups.

As was the case with social capital, the type of cultural capital possessed by the migrants seems to correlate (in most, but not all cases) to their country of origin. In other words, migrant entrepreneurs from the core-states subject group seem more likely to speak core-state languages, while those from the periphery-states subject group seem more likely to speak periphery-state languages. This is clearly visible from Table 4.3. below, which shows how 100% (41) of those from core-states spoke English and 54% (22) spoke a second core-state language. This is, of course,

unsurprising, as we would expect migrants to learn and reproduce the language(s) of their home country environment. Of the 54% who speak a second core-state language, these were invariably migrant entrepreneurs from countries where English was not the official language, whereby they acquired English as a second language. Examples of this include Igor (Finland) who speaks Finnish and English, Gabriel (France) who speaks French and English, and Mattheus (Germany) who speaks German and English. In the case of migrant entrepreneurs from core-states countries where English is the national language (USA, Canada, UK, Australia), it was common that they *only* spoke English. A typical example is Tom (USA), who has been living in Poland for around six years, yet does not speak Polish nor any other languages besides English.

This trend between the location of origin and language proficiency is mirrored among those from the periphery-states subject group, with all of them speaking the mother tongue of their (periphery-state) location of origin. Perhaps unsurprisingly, they were found to be less likely to speak core-state languages, with just 11 (46%) of them speaking English and 3 (13%) speaking a second core-state language. Yet, as can be seen, there were several exceptions. Ivan, for example, despite growing up in Ukraine, was one of those who learned not only English, but also a second core-state language (French). Clearly, then, being born into a certain region does not completely determine language proficiency.⁵² As shown with the example of Ivan, there is some room for agency, whereby migrants can, over time, acquire languages other than those predominantly spoken in their locations of origin. The trend, however, between location of origin and languages spoken, remains a strong one, as seen in Table 4.3.

This correlation (between location of origin and languages spoken) is somewhat obvious. What, however, is not so obvious, is why there is such variation between the two groups in terms of their proficiency in the host country language of Polish. While the vast majority of those from periphery-states (88%: 21) have acquired fluent Polish, only a minority of those from core-states (14.6%: 6) have achieved this.⁵³ How then, can this be explained? On the one hand, the variation in host country language proficiency could be related to the linguistic distances between the migrants' native languages and Polish. Many of those from the periphery-states subject group are from Ukraine and Belarus, so the linguistic distance between their mother tongue and Polish is relatively small.

52 It is also interesting to observe the correlation between cultural capital and social capital. By virtue of learning French, it seems Ivan was then able to start acquiring social capital in French speaking locations, notably France and Switzerland.

53 There were a small number of exceptions. Anna (USA), for example, has successfully acquired a high level of Polish proficiency during her four years in Wroclaw. She now speaks Polish fluently with her clients in her art and crafts store.

Table 4.3. Languages spoken: Core vs. periphery subject group comparison

	Fluent Polish	Fluent English	Fluent periphery-state language	Fluent 2nd core-state language
Migrants from core-states	14.6% (6)	100% (41)	0% (0)	54% (22)
Migrants from periphery-states	88% (21)	46% (11)	100% (24)	13% (3)

Source: My own data collated from qualitative interviews with migrant entrepreneurs from core- and periphery-states.

Conversely, almost all of those from the core-states subject group have mother tongues from non-Slavic language families (e.g. Anglo-Saxon), so the linguistic distance is comparably greater. However, on the other hand, how can the relatively high level of English proficiency among many Poles in the UK (Johansson & Sliwa 2004) be explained? Have they not bridged the same linguistic gap that would be required of English-speaking migrants moving to Poland? Subsequently, it seems there might be other factors contributing to this variation in Polish proficiency. Anna (quoted at the beginning of this section) highlights how certain migrants from core-states are 'given a pass' and, apparently, are under less pressure from the host society to learn Polish.⁵⁴ This in itself seems to hint at the presence of cultural hierarchies within Poland (Andrejuk 2017) and raises interesting questions about the power of certain languages and cultures over others. Light & Gold (2000: 91) point out that while human capital is said to increase productivity, cultural capital 'conveys prestige'. Perhaps then, within a cultural hierarchy whereby some languages (e.g. English) seem to convey more prestige than others (e.g. Polish), it might perhaps explain why migrants from core-states seem less motivated to learn the host country language. This theme will be explored in greater depth in Chapter 7.

The question of motivation (to learn Polish) might also have an economic component to it. Within the almost exclusive focus of the literature upon migration to core-states (Ilhan-nas et al. 2011; Aliagla-Isla & Rialp 2013; Dheer 2018), the importance of host country language proficiency is often reported to be a key factor in economic integration (Kindler & Szulecka 2013; De Paola & Brunello 2016) and business growth (L. Altinay & E. Altinay 2008). As such, it is somewhat assumed that learning the host country language is *desirable*. And, conversely, lacking proficiency in the host country language has usually been associated with disadvantage among migrant entrepreneurs (Johnson 2000; Nee & Sanders 2001).

54 This trend of migrants from core-states not learning Polish is corroborated by a recent article on the blog 'Notes from Poland' which was set up by Stanley Bill (Director of the Polish Studies Programme at the University of Cambridge) and Daniel Tilles (assistant professor at the Pedagogical University of Kraków) <https://notesfrompoland.com/2020/07/01/its-easier-to-find-work-and-a-good-life-here-poland-attracts-immigrants-from-western-europe/>

Yet, in this ‘upside down’ context of core-to-semi-periphery migration, wherein the native population has a significantly lower GDP per capita compared to their country of origin, would they even want to economically integrate? And would learning Polish greatly benefit their business growth? In this sense, studying ‘up’ in migrant entrepreneurship begins to question assumptions about the importance of host country language acquisition.

4.6. Conclusions

Above I have shown how, in contradiction to the narrative of the ‘disadvantaged migrant’ so often depicted in (semi-)periphery-to-core migratory contexts, in the ‘upside down’ context of core-to-semi-periphery migration, migrants do *not* always lack access to resources. On the contrary, I have shown how they (sometimes, but not always) have relatively *high levels* of access to financial, human, social, and cultural capital. This seems in line with other studies of migrant entrepreneurs from core-states (Drake & Collard 2008; Marchant & Mottiar 2011; Stone & Stubbs 2007; Andrejuk 2017) and shines a light on how certain prominent theories, notably Disadvantage Theory (Light 1979; Johnson 2000; Clark & Drinkwater 2010) appear to have been created in one-sided, dominant-subordinate (Nader 1972), periphery-to-core migratory contexts. Yet, I have also shown how, even for the migrants from periphery-states, a lack of resources likewise cannot always be assumed. In cases, many of these migrant entrepreneurs were also shown to have relatively high levels of access to a range of capital resources. This lends support to other studies which have unearthed similar findings (Saxenian 1999; 2002; Kloosterman et al. 1999; Light & Gold 2000; Leung 2001; Masurel et al. 2002; Katila & Wahlbeck 2012; Lin & Tao 2012). That being said, I have also shown how there is great variation, with several migrants from both groups also displaying a lack of access to various forms of resources. As such, it reveals how migrant entrepreneurs, whether they originate from core- or periphery-states, cannot be treated as homogenous groups (Oliveira 2007).

Importantly, I have also shown how, although the two groups seem to have similar *levels* of access to resources, they appear to vary in the *geographical origin* of these resources. For example, with regard to social capital, migrants from core-states were found (unsurprisingly) to have relatively high levels of social capital in core-states. Conversely, those from periphery-states seem more likely to have social networks composed of social capital from periphery-states. The same can be said of cultural capital. Migrants from core-states appear more likely to speak core-state languages, while those from periphery-states seem more likely to speak periphery-state languages.

But why does the geographic origin of migrants’ various forms of capital matter? After all, taken in isolation, geography in itself is largely meaningless. But geography

matters, I argue, for two reasons. First, in the context of a world in which different societies are geographically concentrated in different locations (for example, USA society is concentrated in North America, while Ukrainian society is concentrated in Eastern Europe), geography is a *proxy* for the specific society in which one resides. Different societies, in turn, influence the composition of social and cultural capital of their members. So, for example, a migrant entrepreneur who grows up in a core-state is more likely to have contacts from that core-state and speak a core-state language. In other words, purely 'by accident of birth' (Benson & O'Reilly 2018: 120), it seems that migrant entrepreneurs inherit specific variations in the character of their resources. Of course, not everything is predetermined from the top-down: Individuals do have some room for manoeuvre. For example, Vanko, despite growing up in Ukraine, has acquired core-state cultural capital (learned English), as well as social capital (developed a number of contacts in the USA and Western Europe). Nevertheless, despite Vanko's agency, the fact remains that migrant entrepreneurs' starting point within the global environment seems to play a dominant role in the shaping of the geographic origin of their resources.

Second, this has theoretical significance. As noted in previous chapters, within the field of migrant entrepreneurship there has been a strong tendency to restrict the focus within the borders of core-states. Within this methodological nationalistic approach (Wimmer & Schiller 2002; Wallerstein 2004), researchers have explored how migrant entrepreneurs and their resources interact with the host country environment (Waldinger et al. 1990; Kloosterman & Rath 2001). However, as seen above, migrant entrepreneurs' resources are (to some degree) shaped by their position within a wider, global environment. As will be seen in Chapters 5, 6, and 7, this variation in the geographic origin of resources seems to play an important role in accounting for variations between the two subject groups' business practices and behaviours. Importantly, if such variation in the geographic origin of resources does indeed play a role, and the value of resources are (to some degree) determined by their position within a wider, global system, then should the largest unit of analysis not be this global system? If so, then such a narrow focus upon the host country (Bagwell 2018) may well be blinding us to the full picture. As such, in order to fully understand the phenomenon of migrant entrepreneurship, I once again argue that we need to not only situate migrant entrepreneurs and their resources within the host country, but also within this wider, global environment. Subsequently, in the same way that Schiller (2010; 2013) calls upon migration scholars to move beyond using the nation state as the largest unit of analysis, I will continue to argue (in subsequent chapters) that scholars of migrant entrepreneurship must do the same.