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Spatial perspectives on migrant entrepreneurship

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1 Introduction

The high mobility of people across borders due to economic, social, and ecological factors, as well as political crises leading to mass movement events, such as the ‘long summer of migration’ in Europe (2015–2017), has contributed to more diverse societies with a high share of people with migration backgrounds and increasing cross-border mobility experiences. Such mobility has an impact on the economies of both the countries of the migrants’ origin and destination.

In several countries around the world, migrant businesses are a significant pillar of the economy (Bove & Elia 2017; Sternberg et al. 2022). Entrepreneurship tends to be slightly higher among migrants compared to among the native-born population in most OECD countries (OECD 2010). Whereas in these countries around 12.7% of migrants of working age are self-employed, this is 12.0% among the non-migrant population (ibid.). This observation is generally explained in the academic literature by the discrimination towards migrants on formal labour markets (Oskam et al. 2022). Especially the first generation of migrants faces challenges to enter the world of work due to the lack of language skills and problems associated with the acceptance of qualifications and work experience (Sultana 2022). Consequently, migrant entrepreneurship is often necessity-driven, meaning that migrant firms are established due to the lack of alternative work opportunities. In recent years, a new trend is emerging: Migrant entrepreneurship is increasingly opportunity-driven. There are manifold reasons explaining this. On the one hand, groups of highly skilled migrants including international students, launch their businesses soon after graduation (Terstriep et al. 2022; Leicht et al. 2017). On the other hand, often opportunity-driven migrant entrepreneurship is not a new experience for migrants in the countries of destination, but a continuation of migrants’ entrepreneurial activities which has already started in the countries of their origin. It means, that already existent business models are re-established and adapted in the countries of residence (ibid.).

In general, the term migrant entrepreneurship includes “[...] the totality of businesses founded [and] or run by entrepreneurs with a migration background and/or history and includes both those who have lived in the country of residence for several decades (with or without a country specific passport), their descendants (the second and even third generation) as well as recent immigrants” (David et al. 2022a). Against the background of demographic diversity, cultural differences, and the way of running businesses, migrant entrepreneurship is a complex and multi-layered phenomenon that cannot be reduced to a particular type of founder and firm. Despite the heterogeneity of migrant businesses, certain patterns can be identified relating to the international orientation of the entrepreneurs and the businesses, sectoral preferences, modes of business operations (role of family, ethnic networks, etc.) and spatial features of migrant-founded business locations (ibid.).

Thus, migrant entrepreneurs do not only contribute to the regional labour market (e.g., as employers and through vocational education and training activities), but they are also drivers of knowledge transfer across geographical distances (Tripl & Maier 2007) enabling industries to emerge and develop (Saxenian 1994, Schäfer & Henn 2018). In addition to these economic assets, migrant entrepreneurs, especially those in the food sector, support urban development in mostly agglomerated regions. They contribute to the maintenance of supply infrastructure in urban districts (Hillmann 2011). In many cities around the world, migrant businesses contribute to cultural diversity and are commercialized as an important aspect of the cities’ marketing and branding strategies (Schmiz 2019).

Against the background, it is worth taking a closer look at the group of migrant entrepreneurs and studying their contribution to regional development, as it is done in this special issue e.g., in terms of socio-spatial embeddedness and transnational interdependencies including entrepreneurial ecosystems, educational and biographical pathways as well as migrants’ propensity to engage in entrepreneurship in on diverse spatial layers.
2 Migrant entrepreneurship, spatial embeddedness and transnationality

Migrant entrepreneurship is an interdisciplinary topic that has been studied in anthropology, sociology, geography, and in business studies, mostly with the help of qualitative methods. Since the increasing migrant movements of the past decades, migrant entrepreneurship has experienced growing interest mirrored by the academic publications dedicated to questions regarding the extent, causes, and effects of immigrants on self-employment and the underlying regional structure. The framework that encompasses implicitly all three articles in this special issue is socio-spatial embeddedness and transnationality. In the discourse on migrant entrepreneurship both concepts are prominent and discussed (Terstriep et al. 2022; Wahlbeck 2018). The framework of spatial embeddedness already presented in 1997 by Oinas goes back to the concept of embeddedness based first on Polanyi (1944) and later, on Granovetter (1973, 1985). The idea is that economic activities are embedded in social relations and cannot be understood as disassociated from the social environment. It has eventually been transferred to different academic contexts. Also, in economic geography embeddedness gained prominence in the past decades (Hess 2004). Here, the socio-spatial embeddedness refers to the local and/or regional environments and how these affect economic activities. This understanding of embeddedness highlights a relational perspective on economic actors and firms instead of a simple spatial analysis of geographical units (Bathelt & Glückler 2003). In this respect, it marks a shift away from the classical view of the migrant economy acting in fixed “container spaces” to that of spaces as fluid social constructs. Referring to Massey (1999), Allen et al. (1997) and further, Yeung (2005) discusses in the context of relational economic geography spurred by the relational turn the characteristics of socio-spatial relations while accounting for power relations and actor-specific practices. These social relationships can, of course, have different spatial scopes.

Regarding migrant entrepreneurship, Kloosterman et al. introduced the mixed embeddedness approach in 1999. The approach addressed the fact that entrepreneurs’ relations and networks influence migrant entrepreneurship in the contexts where they develop businesses (Elo et al. 2018). Conceptualised as a response to shortcomings in the research on migrant entrepreneurship, e.g., the isolated view on business characteristics, the mixed embeddedness approach is not just about structures and opportunities, but also about agency and actors and how they are embedded in larger social constructs. The approach links the micro-level of actors and their resources to the meso-level of the opportunity structure within spatial entities (e.g., regions, cities). These opportunity structures, in turn, are embedded in the national socio-cultural, institutional, and regulatory frameworks. Applying the mixed embeddedness approach to transnational entrepreneurship (Yamamura & Lassalle 2022; Solano et al. 2022) go beyond locally serving markets and increases the field of action to multiple and multifocal embeddedness. Leaned on Solano et al. (2022), the multifocality simultaneous involves migrant entrepreneurs in both multiple places and multiple actors’ groups. In the context of migration studies, transnationalism was already introduced by Glick Schiller et al. back in 1992 as the link between the migrants’ countries of origin and residence. The concepts around transnationality include the spatial dimension in entrepreneurship while focussing on economic globalisation (Robinson 1998). Still, globalisation and transnationalism are not substitutable (Tedeschi et al. 2020). In contrast to transnationalism, globalisation points to the interlinkage between countries and entire continents, while transnationalism refers to people’s movement and activities cross-border (ibid.). Since then, transnationalism and entrepreneurship were studied and further developed by several authors (Harima & Baron 2020; Portes & Yiu 2013; Drori et al. 2009; Portes 2001). In that context, Henn (2014) argues that entrepreneurs attributed to being transnational can make an important contribution to the transfer of knowledge over long distances in transnational social spaces (Pries 2001). In so doing, they can be seen as an important element of knowledge-based regional development (Henn 2014). Using trust-based social networks (Putnam 2000) recognised as social capital (Bourdieu 1983; Coleman 1988) can facilitate the global pipelines developed by them. In addition, they can facilitate the outflow of knowledge about markets and technologies from an existing cluster (Henn 2014) or ecosystem to another. Such transfer into a different regional context can decisively support the formation of new cluster structures (ibid.) or ecosystems. Yeung (2008: 228) discusses the role of spatialities of “transnationalizing” entrepreneurs “creating and operating novel transnational spaces that embrace different territorially embedded institutional structures and business systems.” As far as the exchange of resources, people, and relationships in transnational activities are concerned, Vertovec (2009) argues that these links may broaden, deepen, and intensify societal transformation processes. Interlinking transnationality and embeddedness, the connection of migrant entrepreneurs...
to specific opportunity structures in diverse social and spatial settings (Wahlbeck 2018) allow making the best of their available resources (ibid.). Thus, transnational migrant embeddedness moves beyond the notion of being simply embedded in two different places (Yamamura & Lassalle 2022). Embeddedness rather allows the analysis of conditions and opportunities entrepreneurs in general and migrant entrepreneurs going transnational in particular obtain from complex, cross-level interactions of inter-firm partnering (Hagedoorn 2006) and spatialities.

3 Contributions to this special issue

A clear takeaway from our special issue is a deeper understanding of migrant entrepreneurs’ embeddedness and transnationality at different spatial levels and in diverse contexts. For instance, in their contribution, Sandoz et al. (2022) discuss dual embeddedness as a potentially positive conceptualisation of transnational migrant entrepreneurship being a competitive advantage in business creation and operation. In this context, Valenzuela and Solano (2022) direct attention to differences among transnationally oriented entrepreneurs. They argue that the decision to go transnational seems to be influenced by entrepreneurs’ skill sets. Departing from the mixed embeddedness approach Hartmann and Philipp (2022) shed light on the role of refugees’ intercultural embeddedness in their entrepreneurial activities compared to other immigrants.

In detail, Sandoz et al. (2022) argue that spatialities of migrant entrepreneurship have changed dynamically over recent decades. Movements and exchanges transcend national borders more than ever, and transnational migrant entrepreneurship has become a burgeoning field of research. However, knowledge is dispersed across disciplines, and the overall understanding of contemporary spatialities are therefore very limited. The authors review 155 articles that have been published in English, French, German and Spanish since 2009, providing an overview of existing knowledge on transnational migrant entrepreneurship and suggesting avenues for future research. They identify five current research topic areas, namely: the business advantages of transnational migrant entrepreneurship, the determinants for becoming a transnational migrant entrepreneur, the transnational networks of migrants, the economic impacts of transnational migrant entrepreneurship in home and host countries, and whether local environments enable or deter entrepreneurial success. Building on their synthesis of the most recent literature, they propose three crucial dimensions which have not been sufficiently researched in past and present literature. These are related to the diversity of geographical locations, spatial connections, and spatial mobilities involved in transnational migrant entrepreneurship.

The contribution of Valenzuela and Solano (2022) deals with the relevance of skill sets (study and work experience) to pave the way for Moroccan migrants: the entrepreneurial path to transnational and domestic business activities. This article looks at the various paths taken by transnational and domestic entrepreneurs based on their educational and employment biographies. These act as catalysts for skills that allow migrant entrepreneurs to position themselves better in diverse markets. Differences in migrant entrepreneurship, referring to ethnicity, generation, sectoral breakdown, resources, spatial embeddedness etc. allow scholars to better understand the strategies employed and the consequences for society and the economy at both domestic and transnational levels. Earlier research has extensively analysed individual characteristics of migrant entrepreneurs and, to a much lesser extent, the geographical context of their business activities. This article addresses this gap by looking at the geographical orientation of migrant entrepreneurs’ businesses. The research question investigates the ways in which the transnational or domestic activities of Moroccan migrant entrepreneurs in the Netherlands and Italy are influenced by skills acquired from earlier experiences. The authors provide empirical evidence about different pathways leading to domestic and transnational activities. In doing so, they use a micro-level perspective of the experiences collected in the narratives of first-generation Moroccan migrant entrepreneurs who have migrated to Milan or Amsterdam. Four different pathways combining these two life experiences emerge from the interviews: job-based, education-driven, job-education merger, and chance (neither education nor work experience). The most relevant pathways for migrant entrepreneurs seem to be the first and third tracks. Furthermore, the findings of Valenzuela & Solano (2022) show that transnationally oriented entrepreneurs have an extended business education and rely on skills learned, in contrast to domestically oriented entrepreneurs who become entrepreneurs ‘by chance’.

The contribution by Hartmann and Philipp (2022) focuses on refugee entrepreneurship and cultural diversity in various geographical contexts. Since 2015, refugee entrepreneurship has received unprecedented political and public attention worldwide and especially in Germany. Due to the conditions of the migration and asylum procedures in Germany, refugee entrepreneurs are socially
disembedded from the co-ethnic community and the local community in the destination country, compared to other immigrant or indigenous entrepreneurs. Since asylum seekers in Germany are allocated to a residence, regardless of their preferences, it is crucial to assess how their socio-spatial embeddedness (applying to Kloosterman et al. 1999) influences their propensity to engage in refugee entrepreneurship when applying the abstract concept of mixed embeddedness to concrete spatial embeddedness conditions in urban, semi-urban, and rural municipalities. They also consider intercultural embeddedness, following the knowledge spill-over theory of entrepreneur (KSTE), that accounts for increasing ethnic heterogeneity. The multivariate regression analyses based on the German Microcensus, the largest annual household survey in Germany, suggest, first, that refugees are especially prone to entrepreneurship. Second, intercultural embeddedness has the strongest significant positive correlation with refugee entrepreneurial propensity, compared to other immigrants and indigenous working populations. However, when including the interaction effects of cultural diversity in different spaces, the positive relationship between ethnic diversity and refugee entrepreneurship only holds true in semi-urban spaces. This suggests clues that refugee entrepreneurs in rural environments access (non-knowledge-based) resources and opportunities by exploiting social capital based on ties with the local community.

4 Conclusion and future research

It is important to note that the underlying research of these papers was conducted before the COVID-19 pandemic. Like most economic actors and branches, migrant businesses were also affected by the pandemic due to travel bans, temporary lockdowns, and other restrictions (e.g., home offices) (Terstriep et al. 2022). Naturally, these new developments could not be addressed in the contributions. Therefore, it remains an open question for future studies as to how migrant businesses dealt with these new conditions (David et al. 2022b) and whether the crisis impacted the way migrant entrepreneurs are embedded and link transnational spaces. At this point, more research is being conducted and published about these issues (e.g., Vorobeva & Dana 2022).

The contributions of this special issue address migrant entrepreneurship from a geographical perspective with a focus on socio-spatial embeddedness and transnationality. Raising questions of whether or not dual embeddedness is the key to success for some transnational entrepreneurs, and under what circumstances migrants can profit from it, spots light on different conditions and context-related factors of spatialities. Additionally, in this special issue, specific case studies were introduced that highlight the micro-level perspective of individual embeddedness and transnational experiences of migrant entrepreneurship. In so doing, this special issue has contributed to a deeper understanding of how transnational entrepreneurial spaces are dynamically created and maintained through the everyday practices of individuals. It also presented how multiple places are interconnected by the processual and relational approach of transnational migrant entrepreneurs’ embeddedness. Furthermore, new insights into diverse groups of migrant entrepreneurs, such as refugee entrepreneurs, contributing to a better understanding of newcomer entrepreneurship, have been given. Introducing environments of high ethnic diversity, it became obvious, that these spatialities relate positively to refugee entrepreneurial propensity. Finally, pointing to differences in migrant entrepreneurs’ skill sets allow us to better understand the strategies employed and the consequences for society and the economy at both domestic and transnational levels.

Despite the progress made in migrant entrepreneurship research, to which this special issue contributes, empirical studies of transnational migrant entrepreneurship remain limited. There is much description and theorising on how migrant entrepreneurs use their dual embeddedness, but relatively little theoretically informed empirical research. This concerns, in particular, the question of whether migrant entrepreneurs have the capabilities (e.g., absorptive capacity) to internalise, meaningful combine and exploit the resources available in the distinct ecosystems. In addition, we lack sound empirical evidence on the structural and relational composition of ecosystems that facilitate or impede the utilisation of resources for migrant entrepreneurs. Moreover, we have little information on whether and to what extent power relations and actors’ practices shape migrant entrepreneurs’ embeddedness in ecosystems including their social-spatial relations. With regard to transnationality, there is still a rare distinction between the transnationality of the entrepreneur as an individual and the transnationality of the business in the sense of business models or business operations. Many studies are not clear regarding the two levels and therefore do not provide an accurate picture of transnational migrant entrepreneurship. From studies (Sternberg 2022) we know defining transnational migrant entrepreneurship by the business model or the administrative registration in two or more countries, there is far fewer migrant business
that carries the attribute “transnational” than expected. In this context, the question arises as to what distinguishes the group of migrants from other transnational entrepreneurs. The final question then would be whether in a globalised world, referring to embeddedness and transnationality, the attribute “migrant” becomes obsolete.

References


