



**UNIVERSITY OF MILAN-BICOCCA**  
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# **Immigrant self-employment and transnational practices: the case of Moroccan entrepreneurs in Amsterdam and Milan**

Supervisors: Prof. Alberta Andreotti  
Prof. Veronique Schutjens  
Prof. Enzo Mingione  
Prof. Jan Rath

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by Giacomo Solano  
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# PREFACE

This dissertation is the final product of a long journey that began more than four years ago. I started the URBEUR (Urban and Local European Studies) doctoral program at the Department of Sociology and Social Research of the University of Milan-Bicocca in November 2011. Then, in February 2014, I moved to the *Amsterdam Institute for Social Science Research* (AISSR) at the University of Amsterdam to complete my PhD, thanks to an agreement between the University of Amsterdam and the University of Milan-Bicocca for a joint doctoral degree.

The PhD was funded by a three-year scholarship from the Italian Ministry of Education. I also received two different scholarships (of one year in total) from the European Union in the framework of the project 'Erasmus Placement/Erasmus+ Traineeship', to move to Amsterdam for the final part of my research.

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# CHAPTER 1

## Immigrant entrepreneurship across the borders: An introduction

As he does almost every summer, six years ago S. was on holidays in Morocco with some friends. One day, they went to the beach and rented some watercrafts, which one of these friends had booked in advance. When they arrived, they found out that they needed a permit, but they did not have it because his friend did not know that it was required. Most of the friends who were present in that circumstance, including the friend who had rented the watercrafts, were of Moroccan background, but had been born in the Netherlands. This led S., who had migrated to the Netherlands with his parents when he was young, to think about his friends' situation. They have on-going relations with Morocco and they spend a lot of time there, but they have grown up in a Northern European culture, which is why - in S.'s opinion - they have problems when they go to Morocco. They know the language but do not really understand how 'things work' in Morocco, in particular when it comes to regulations and red tape. S. saw an opportunity in this, and so he decided to start a website providing information and consultancy services about his country of origin. He started focusing mainly on Dutch people with a Moroccan background, then he decided to expand the scope of his business, and now he focuses on all kinds of people interested in Morocco (Moroccan immigrants, tourists, companies, etc.). Thanks to his regular contacts with both Morocco and the Netherlands, he was able to start a business as a mediator between people in these two countries.

S. is just one of the many examples of people doing business 'across borders' by taking advantage of the opportunities created by new forms of migration, communication, travel, consuming and belonging.

Over the last twenty to thirty years, some processes - generally indicated as globalisation processes - have changed the world and contemporary society (Martell, 2010). Among

these, the growth and implementation of communication technologies (Castells, 1996) and increased possibilities for relatively cheap travel on a large scale (Elliot & Urry, 2010) have contributed to influence and modify the way people live and behave. Such increasing opportunities for long distance travel (e.g. low-cost flights) and communications (e.g. Skype, Facebook, etc.) encourage people to create and maintain social relations with other people located all over the world, and to easily exchange information about different places and contexts. This also holds for both entrepreneurs in general (Mathews & Zander, 2007) and migrant entrepreneurs (Levitt & Jaworsky, 2007). These changes have modified migration patterns. Migrants can now develop migration trajectories that unfold across different countries. They have the possibility to maintain links with other countries (besides their country of destination), while at the same time making and cultivating new contacts in their chosen country, as emphasised by several scholars within the transnational paradigm (Glick-Schiller *et al.*, 1992; Bash *et al.*, 1994; Guarnizo *et al.*, 2003). These new opportunities re-define the way habits, feelings and belongings change through migration (Glick-Schiller *et al.*, 1995; Vertovec, 2001 and 2004; Faist, 2003; Ehrkamp, 2005; De Bree *et al.*, 2010). Through the process of moving from one country to another, migrants develop new links and new contacts, but often keep their old ones as well. They also come in contact with new contexts, new habits and new opportunities, and migrants can use these connections and opportunities to start and maintain entrepreneurial activities with links (e.g. with customers and suppliers) outside their country of destination<sup>1</sup> (Saxenian, 1999; Lin *et al.*, 2008).

In this changing global and migratory landscape, it is thus relevant to focus on transnational business practices in order to understand how the new processes that fall under the name of *globalisation* have modified and shaped migrants' lives, and how such new options have re-defined their entrepreneurial practices. Analysing the case of people engaged in transnational entrepreneurial practices allows us to better illustrate the phenomenon of transnationalism in general, and to better understand how migrants - and more generally 'globalisers from below' (Smith & Guarnizo, 1998; Portes *et al.*, 1999; Mau, 2010) - react to, are influenced by, and use the new communication and travelling possibilities.

Indeed, one of the most recent areas of research in the study of migrant transnationalism is the topic of transnational immigrant entrepreneurship (Drori *et al.*, 2009; Chen & Tan, 2009; Ambrosini, 2012), namely cross-border entrepreneurial activities carried out by immigrants. Focusing on this category of immigrant entrepreneurs seems particularly important because, despite the increasing number and relevance of immigrant entrepreneurs in our societies (Rath, 2007; Fairlie & Lofstrom, 2014), the literature shows that a significant part of immigrant entrepreneurs still conduct small-trade, low-profit and unstable businesses (Waldinger *et al.*, 1985; Kwok Bun & Jin Hui, 1995; Brettell & Alstatt, 2007; Auster & Aldrich, 2010). Conversely, transnational immigrant entrepreneurship seems to entail more profitable

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<sup>1</sup> The term 'country of destination' refers to the country where immigrants immigrate.

and successful businesses (Portes *et al.*, 2002; Kariv *et al.*, 2009; Wang & Liu, 2015), which facilitates economic integration in the country of destination for immigrant entrepreneurs.

In this regard, the main issue is to understand what 'drives' immigrant entrepreneurs to this form of entrepreneurship and how it can be fostered. In order to do that, it is necessary to understand what opportunities transnational immigrant entrepreneurs take advantage of, what resources they employ to identify and seize such opportunities, and what are the differences between immigrant entrepreneurs as a general category and transnational immigrant entrepreneurs in particular.

This thesis investigates the relationship between transnational practices and immigrant entrepreneurship, focusing in particular on immigrant entrepreneurs with business activities across borders (transnational immigrant entrepreneurship), a topic that remains partially understudied (see Section 1.2). In particular, the aim of this study is to understand how transnational immigrant entrepreneurs identify and seize business opportunities. In other words, the goal is to comprehend what kind of factors transnational entrepreneurs rely upon when it comes to identifying and exploiting available opportunities. I chose to focus mainly on the identification and seizing process since this is the core of every entrepreneurial activity (Shane & Venkataraman, 2000). In doing so, I also address the entrepreneurs' embeddedness in different places (country of origin, country of destination, and other countries), at diverse spatial scales (neighbourhood, city, region, and country level), and groups (e.g. natives, co-nationals, other immigrants, family, friends).

In analysing how opportunities are identified and seized, this study also aims to understand whether immigrant entrepreneurs who run a transnational business differ from the general category of immigrant entrepreneurs, and whether there are dissimilarities among transnational immigrant entrepreneurs. This comparison allows us to understand the distinctive characteristics and the business practices of a particular group of immigrant entrepreneurs, who exploit the new possibilities linked to global processes for their business. This helps me draw an accurate profile of transnational immigrant entrepreneurs, and this is one of the main contributions of my research (see Section 1.2).

In order to do this, I will illustrate the case of Moroccan entrepreneurs in Amsterdam and Milan. In the research, I compare entrepreneurs with a transnational business (TIEs) with those focusing on a domestic market (DIEs), which is the central comparison of the dissertation. In particular, the empirical research uses an overall qualitative approach, but employs mixed-method questions, and consists of 70 interviews with Moroccan entrepreneurs in the two cities.

I decided to compare Amsterdam and Milan because they present some dissimilarities that I considered fruitful for the objectives of the research (e.g. to address the influence of certain contextual conditions). In particular, they differ in their economic structure, since Amsterdam is characterised by the importance of its service sector (Kloosterman, 2014), while Milan still has

a strong industrial vocation (Mingione *et al.*, 2007). The two cities also present differences concerning their migratory history, and the size and composition of their immigrant populations. Amsterdam and the Netherlands have an older tradition of being places of immigration for people from abroad, and their population of foreign origin is much higher than Milan and Italy.

Then, I chose to focus on the Moroccan group, because it is one of the most significant immigrant groups in both cities, but with important variations in size and incidence (percentage of the total population) between the cities. Moreover, Moroccans come from a country that is not very far from either city and enjoys a certain degree of political and economic stability (Arieff, 2015) that may well facilitate transnational relations.

### 1.1 Terminology and definitions

Before going more in depth into the study's contributions and the research questions, it is necessary to define and explain a number of terms used throughout the entire thesis: 'entrepreneur' and 'self-employed'; 'immigrant' and 'migrant'; 'transnational immigrant entrepreneur' and 'domestic immigrant entrepreneur'.

The first concerns the use of the words 'entrepreneur' and 'self-employed'. I utilise the two interchangeably, referring to any person "who runs a business with employees, or carries out a task with a certain degree of autonomy on the market" (Codagnone, 2003, p. 34). However, following the tendency in the literature, I prefer the term 'entrepreneur', as defined above.

Second, I employ both the terms 'immigrant' and 'migrant'. 'Immigrant' is normally associated with entrepreneurship or entrepreneurs in order to stress that the economic activity is primarily located in the country of destination (and possibly in other countries as well). 'Migrant' is usually connected to transnationalism (e.g. migrant transnationalism), since in this case I would emphasise the fact that migrants often live 'here and there' (Vertovec, 2001).

The third point concerns the use of the word 'transnational'<sup>2</sup> in connection with the terms 'entrepreneurship' and 'entrepreneur'. In the terminology commonly accepted in the field (Drori *et al.*, 2009), the expression 'transnational entrepreneurship' refers to any entrepreneurial activities carried out by immigrants and involving a certain degree of transnationalism (see also Chapter 2). However, to further stress the fact that this kind of entrepreneurship involves entrepreneurial practices of people who have migrated to another country, I have decided to add the adjective 'immigrant' to the common name in the field (hence: 'transnational immigrant entrepreneurship'). Adding the word 'immigrant' stresses the fact that this kind of entrepreneurship is strictly linked to the entrepreneurs' migration patterns. Indeed, immigrant entrepreneurs do not simply internationalise their business, they strongly value their experience as migrants and make use of it in creating a business across borders. Therefore, immigrants involved in a form of

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<sup>2</sup> The term transnational refers to the 'transcending' of national borders.

transnational entrepreneurship can be called 'transnational immigrant entrepreneur'. However, even though I will use the term 'transnational immigrant entrepreneur' for the sake of simplicity, it must be noted that it is the business that is transnational, since it involves cross-border activities. A 'transnational immigrant entrepreneur' is therefore an immigrant entrepreneur with a transnational business (TIE)<sup>3</sup>, as opposed to a 'domestic immigrant entrepreneur', who is an immigrant entrepreneur with a domestic business (DIE) – see also Chapter 3.

A *transnational business* is a business which spans across borders and entails economic activities linked with other countries, namely outside the country of destination – e.g. import/export businesses (Portes *et al.*, 2002; Chen & Tan, 2009; Drori *et al.*, 2009). A *domestic business* is a business that does not have connections outside the immigrant's new country and focuses exclusively on the domestic market of this country (Portes *et al.*, 2002). Therefore, the difference in the type of business is linked to the degree of transnational connections the entrepreneur has and uses for the business. For example, a retail business (e.g. a minimarket) could be transnational or domestic. If the business imports the products it offers from abroad or sells these products to people or other businesses located outside the country of destination, it can be considered transnational. In contrast, if all the suppliers and all the customers are located in the country of destination, it is a domestic business.

## 1.2 Contribution to existing scientific knowledge and societal relevance

The relevance of immigrant entrepreneurship as a central issue in contemporary society has generally been acknowledged, since it is now a distinctive characteristic of the urban landscape of advanced economies (Kloosterman and Rath 2003; Rath, 2000 and 2007). Furthermore, in the last decades, the number of immigrant entrepreneurs has strongly increased in Western countries (OECD, 2010). Immigrant entrepreneurship represents one of the possible ways through which immigrants achieve economic integration in their country of destination (Portes *et al.*, 2002; Rath & Schutjens, 2015). However, as already underlined, the businesses run by immigrants are often not very profitable or not very successful (see for example: Kwok Bun & Jin Hui, 1995; Auster & Aldrich, 2010). The literature has also generally acknowledged that migrants often maintain transnational links and ties (Guarnizo *et al.* 2003; Snel *et al.*, 2006; Lubbers *et al.*, 2010), and that migrants can use these connections to run cross-border businesses - namely, forms of transnational immigrant entrepreneurship (Portes *et al.*, 2002; Bagwell, 2015) -, which are generally more profitable than domestic ones (Wang & Liu, 2015).

Despite the relevance of transnational immigrant entrepreneurial activities, these have generally been under-addressed. Compared to transnationalism and immigrant entrepreneurship as scientific fields, the topic of transnational immigrant entrepreneurship has been investigated in a relatively small number of academic studies (see for example: Portes *et al.*,

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<sup>3</sup> I sometimes use the word 'cross-border' with 'entrepreneur' or 'business', since my research focuses on this particular category of transnational entrepreneurship (see Chapters 2 and 3).

2002; Drori *et al.*, 2009; Honig *et al.*, 2010; Bagwell, 2015; Wang & Liu, 2015).

Due to this small amount of research, some gaps, both from a theoretical and an empirical standpoint, remain. There is a lack of concepts (see Chapter 2) to understand the phenomenon more in depth. Since transnational entrepreneurship involves various contexts, it appears that the field of immigrant entrepreneurship, which has mainly focused on the country of destination, fails to fully explain the processes and the practices connected to transnational immigrant entrepreneurship. This happens mainly because articles on immigrant entrepreneurship have focused only on the country of destination (and not the country of origin or other countries) and they rarely mentioned the links with other countries (Zhou, 2004). At the same time, transnationalism provides a general theoretical framework for understanding cross-border activities, but does not allow us to truly clarify the entrepreneurial process, for example how entrepreneurs identify and exploit entrepreneurial opportunities.

Furthermore, it is not empirically understood how and through which processes entrepreneurs engage in transnational entrepreneurial activities. This is connected to two main critical points:

- Since TIEs and DIEs have rarely been compared until now, it is not completely clear whether findings on the topic are peculiar to this particular group (immigrant entrepreneurs with a transnational business) or if they are similar to findings concerning entrepreneurial practices<sup>4</sup> for the general category of immigrant entrepreneurs. The main study that has previously addressed this comparison is that of Portes and colleagues (2002). It concerns the probabilities immigrants have of engaging in transnational or non-transnational entrepreneurial activities. The study indicates that there are some differences in terms of profile (e.g. education, previous work experience) between the two groups.
- Previous studies have often treated entrepreneurs with a transnational business as a homogeneous group (e.g. Portes *et al.*, 2002; Patel & Conklin, 2009; Terjesen & Elam, 2009; Mustafa & Chen, 2010), or they have focused on one specific group of TIEs (e.g. trade businesses in Miera, 2008; linguistic schools in the case of Kwak & Hiebert, 2010). However, it has not yet been acknowledged that TIEs can be considered a homogeneous group or whether there are differences among them (for example, on the basis of the sector and the market addressed).

This study proposes to contribute to the field by seeking to partially fill these critical gaps.

This research also has strong societal relevance. The topic of immigrant entrepreneurship, and, in particular, that of transnational entrepreneurship appears socially relevant for three main reasons.

Firstly, for many immigrants, transnational entrepreneurial activities represent a way to

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<sup>4</sup> Previous articles used various entrepreneurial outcomes or processes such as identifying and exploiting opportunities, sector choice, internationalization, creation of the business, and business success. In this case I use 'business practices' as a more encompassing term.

avoid establishing low-profit forms of small businesses in unstable and highly competitive markets in their country of destination, especially in times of economic recession. Understanding how immigrant entrepreneurs engage in transnational entrepreneurial activities can contribute to fostering this particular form of immigrant entrepreneurship. This might disclose new opportunities and improve the way immigrant entrepreneurs seize new opportunities for transnational entrepreneurship.

Secondly, even though no statistical data on the number of immigrants involved in transnational entrepreneurial activities is available, previous studies have shown that a significant number of immigrant entrepreneurs develop transnational business practices (Portes *et al.*, 2002; Tan, 2008; Bagwell, 2015). Furthermore, with the increasing number and possibility of cross-border trips and communications, an increasing number of immigrants may carry out cross-border business activities. Therefore, the results of my research will be interesting for a growing number of immigrant entrepreneurs.

Thirdly, in a world characterised by increasing diversity (Vertovec, 2007; Tasan-Kok *et al.*, 2013), transnational immigrant entrepreneurs provide a fundamental service by giving people (e.g. immigrants) the products they need or would like to have. Therefore, many consumers benefit from such entrepreneurs, who bridge several countries and cultures.

Clarifying the specific features of immigrant transnational business activities, the barriers TIEs encounter and the resources<sup>5</sup> they employ is important in order to allow policy makers to better understand, and eventually foster, this important phenomenon. To do that, policy makers might provide or facilitate access to the opportunities and resources that immigrant entrepreneurs need in order to set up and conduct transnational entrepreneurial activities. This research will hopefully help decision-makers to implement policies that support this as a way towards economic integration for immigrants. Furthermore, as the literature underlines (Tasan-Kok & Vranken, 2008; Blanchard, 2011; Solano, 2015a; Allen & Busse, 2015; Rath & Schutjens, 2015), economic integration could also lead to better social integration and a greater sense of 'being accepted' in the country of destination.

The immigrant entrepreneurs themselves might benefit from this research, since knowledge of the results might provide them with useful suggestions regarding which resources and which social contacts can be used in order to run a transnational business.

### 1.3 Research questions

In order to address the topic of transnational immigrant entrepreneurship and partially fill the above-illustrated gaps, the overall dissertation will provide answers to the following two main research questions.

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<sup>5</sup> Here the term 'resources' has to be considered in a broad sense, indicating all the factors that could be considered as a resource by the entrepreneurs, and that could be used by them for the business.

1. *What are the factors influencing transnational immigrant entrepreneurship and what resources do transnational immigrant entrepreneurs use to identify and seize opportunities in running their business?*
2. *How do immigrant entrepreneurs who own a transnational business (TIEs) differ from those who run a domestic business (DIEs) as per Research Question 1?*

Besides these two research questions, which are the core of my dissertation, a third enquiry emerges since it is not yet clear whether there are dissimilarities among TIEs in their entrepreneurial activities and practices. This third overall research question is:

3. *Are there similarities or differences (as per Research Question 1) among transnational immigrant entrepreneurs, and if so, which ones are there and why do they exist?*

#### **1.4 Structure of the dissertation**

This introduction is followed by Chapter 2, which illustrates the theoretical framework and the key concepts employed in this study. The existing literature and a proposal for conceptual advances are discussed in this chapter. In particular, a model for a better understanding of immigrant transnational entrepreneurship is presented. In this model, the concept of multifocality and a re-definition of structural and relational embeddedness are proposed.

Chapter 3 introduces the empirical research design, which is the basis of the thesis. In particular, it explains why I chose to concentrate on Amsterdam and Milan, and why the research is focused on Moroccan entrepreneurs. Furthermore, the chapter presents the methodology used (a qualitative approach employing mixed-method questions), the sample collected (70 entrepreneurs), and their main characteristics (gender, education, type of immigrant entrepreneurship, sector, market).

After the conceptual and methodological chapters, the focus then turns to the results of the empirical research on Moroccan entrepreneurs in Amsterdam and Milan. This part of the dissertation consists in three chapters empirically addressing the concepts illustrated in Chapter 2: opportunity structure and structural embeddedness; social networks and relational embeddedness; individual characteristics.

Chapter 4 examines the topic of opportunity structure and structural embeddedness, comparing TIEs and DIEs and identifying whether there are any differences among TIEs in this respect. First, I illustrate the role of opportunity structure and the different spheres that contribute to creating the opportunity structure. Second, I focus on what countries (and what spatial scales) and groups produce the opportunities that Moroccan entrepreneurs tend to



seize, and I examine the concept of multifocality. Third, the chapter also analyses the topic of how entrepreneurs identify and seize business opportunities, which is the central topic of this dissertation and is also analysed in Chapters 5 and 6. In this regard, the role played by the structural embeddedness of entrepreneurs is addressed.

Chapter 5 illustrates the part played by social networks in identifying and seizing business opportunities, and it underlines the differences between TIEs and DIEs, as well as any differences among TIEs. In particular, the chapter analyses network composition and structure, the role of the entrepreneur's contacts (in terms of support provided), and how entrepreneurs take advantage of their embeddedness in these networks (relational embeddedness) to identify and seize business opportunities.

Chapter 6 addresses the role played by individual characteristics in identifying and seizing business opportunities. In particular, many individual characteristics (i.e., education, past work experience, entrepreneurial family background) are taken into account. Here as well, TIEs and DIEs, and the different types of TIEs, are compared. Furthermore, the chapter investigates whether individual characteristics affect the role of structural and relational embeddedness (and the differences between TIEs and DIEs) when it comes to identify and seizing opportunities for the business.

Chapter 7 concludes the dissertation by summarising the main results from the empirical research and answering the main research questions. First, it illustrates the role played by structural embeddedness, relational embeddedness, and individual characteristics in identifying and seizing opportunities to run a transnational business (*Research Question 1*). Second, the main differences between Moroccan entrepreneurs who run a transnational business (TIEs) and those who run a domestic business (DIEs) are summarised (*Research Question 2*), and dissimilarities among TIEs are pointed out (*Research Question 3*). The chapter closes with considerations regarding study's scientific and societal contributions, and provides some policy recommendations as well as suggestions regarding possible further research developments.



# CHAPTER 2

## Background: Globalisation, Transnationalism and Embeddedness

Immigrant entrepreneurial activities, in particular those extending across national borders, entail several phenomena, processes and concepts. There are two main social scientific fields connected with this topic: migrant transnationalism and immigrant entrepreneurship.

Regarding the former, firstly, it is necessary to underline the changes that have led to a partial redefinition of certain global processes (Section 2.1) and led some scholars to adopt a transnational approach to the study of migration (Section 2.2). Secondly, migrant transnationalism is strictly connected to embeddedness in different contexts and groups (Section 2.3).

I then introduce the field of immigrant entrepreneurship, with particular emphasis on transnational entrepreneurship (Section 2.4). Following this, I illustrate the main approaches to the theme (2.5), and propose a model to better understand it (Section 2.6). Based on this model and starting from the main research questions illustrated in the introduction (see Chapter 1), Section 2.7 introduces specific research sub-questions. Section 2.8 concludes the chapter.

### **2.1 Globalisation, international migrations and the role of the State**

Over the last twenty to thirty years, some processes have changed the world and people's perception of it. These processes have been condensed in the concept of globalisation, which refers both to "the compression of the world and the intensification of consciousness of the world as a whole" (Robertson 1992, p. 8), and therefore to the progressive growth of relations and exchanges in the world, in various fields (e.g. economic, cultural, medial, etc.), as well as the resulting loss of 'borders' in everyday actions (Beck, 2000).

One of the most relevant changes was the development and implementation of existing communication technologies (Castells, 1996). The expansion of the Internet and the widespread use of new, faster and cheaper ways to communicate (e-mail, Skype, social networks such as Face-

book and Twitter, etc.) have allowed people to easily maintain relationships with, and have information about, people and events in far places. In addition, increased possibilities for travel on a large scale and at a relatively low cost (Elliot & Urry, 2010) - e.g. through low-cost airlines, such as Ryanair - have allowed for greater possibility to maintain contacts irrespective of distance.

Although many people continue not to be very mobile, they have more possibilities of 'staying in touch' with other people abroad or far away (Gustafson 2009; Mau, 2010; Andreotti *et al.*, 2014). In this regard, Robertson (1992) speaks of 'spatial compression', while Giddens (1990) uses the term 'spatial stretching' to mean expansion in terms of individual spatial references. Social relations have been changing, and there has been a *disembedding*, or breakdown, of social relations at the community level, followed by a reorganization of these (*re-embedding*) into a wider range Giddens (1990). Indeed, individuals concretely experience these new opportunities in their everyday life, and their spatial references have vastly expanded (Mau *et al.*, 2008). They take into consideration not only the local and national contexts where they operate, but also other contexts and possibilities outside national borders.

From an economics point of view, globalisation consists of four main processes:

- The internationalisation of worker circulation: an increasing number of people (both with high and low-level skills) move to other countries to work (see below);
- The internationalisation of goods circulation and provision of services: goods travel around the world and products from all over the world are easily available;
- The internationalisation of financial markets: financial markets are becoming increasingly connected and interdependent, while capital flows often cross State borders;
- The development of multinational companies with branches and offices in different countries: firms are able to outsource production where the labour force is cheaper, and decide where to locate their headquarters so as to take advantage of the most favourable tax conditions.

Furthermore, the role of the State has been extensively redefined due to increasing flows of people, capital, information and images that transcend State borders (Appadurai, 1996; Castells 1996). Global processes have had a challenging effect on the old *hierarchies* of *scale* centred on the Nation-State (Sassen, 2007). This does not imply the disappearance of the old hierarchies, but rather the emergence of new ones that coexist with the old ones, albeit with a possible decrease of the latter in favour of the former. Thus, the new world system of power is characterised by a multiplicity of authorities, of which the State is currently only one among many. States are becoming nodes of a wider network of power (Castells, 1996), and power is increasingly more widespread and shared among multiple sources (States, regions, cities, etc.). The State also has to deal with a variety of power sources not legally recognized, such as cross-border networks of capital, criminal organisations, and non-governmental organisations.

These new global processes have partially changed and undermined the idea of the State as

it had developed during the eighteenth century, and consequently the State-Nation-Society triad, with the State exercising sovereignty over both the geographical and the social space under its jurisdiction (Pries, 2001; Le Galès, 2002; Brenner, 2004; Keating, 2013; Le Galès & Vezinat, 2014).

State sovereignty is being challenged both from above and below. From below, there is an increasing importance of local and micro-organisations (regions, cities, etc.), whereby States seem too big to handle some problems at a local scale. At the same time, States are no longer able to tackle global challenges (such as controlling economic processes, environmental policies, etc.), which means that their power is questioned from above by the development of supra-territorial organisations such as the European Union, North Atlantic Treaty Organization (NATO), the World Trade Organization (WTO), and the International Monetary Fund (IMF). In general, States are delegating some of their power and authority to other organisations, both local and international.

However, the State retains a certain degree of relevance when it comes to certain policies at the national scale, such as business aid, the ability to attract foreign capital, and especially immigration, where national policies still play a key role. Even though national borders are far from impermeable, States try to implement numerous strategies to regulate migration flows, for example by stiffening acceptance criteria for immigrants. In addition, States continue to exercise their coercive power within their borders.

Regarding people's movements, contemporary society is characterised by an increasing number of people migrating to different locations, and in particular out of their country of origin. The most recent estimates by the United Nations (2013) indicate that there are 232 million international migrants. Although these represent only about 3% of the world population, this number has constantly increased over the last ten years and this phenomenon has had a strong impact on the majority of the population. Migrations are not just an individual phenomenon, they are a collective one. Indeed, this phenomenon affects not only the migrants themselves, but also society as a whole (or, more precisely, societies: those of origin and those of destination) (Sayad, 1999). As stated by Castles and colleagues (2013), migration is the key force of globalisation, in strict connection with other global processes that contribute to reshaping contemporary society. Migrants are part of the above-mentioned processes of local, national, and global rescaling (Glick Schiller *et al.*, 2006).

In this regard, despite the fact that in the first half of the 1900s migrations were already an important feature of the world, in the second half of the century some new elements appeared (Castles *et al.*, 2013). A first element of novelty is that contemporary migrations have become a global phenomenon, as they involve, albeit with different intensity and extent, the majority of countries on the planet (Smith & Guarnizo, 2009; Castles *et al.*, 2013). Secondly, this expansion and acceleration is also accompanied by a diversification of migration flows, from the point of view of motivations, legal status, gender (with an increasing feminization

of migration), and geographic origin. Finally, there is a growing politicisation of the phenomenon. Even though migrations partially escape State control, the phenomenon has massively entered the political agenda as a subject of attention and strong regulation.

These changes challenge the role of States (especially in terms of sovereignty), and consequently the idea of Nation-State (Smith & Guarnizo, 2009). An analysis of how international migrations redefine the role of States and how they 'react' to the challenges these pose makes these points clear. The politicisation of the issue and the fact that States stress migration and security policies show how deeply they are 'shocked' by the phenomenon.

In particular, the large-scale diffusion of international migrations and cross-border practices challenges the notions of Nation and Nationality. The idea of the Nation-State is founded on the concepts of belonging and, consequently, citizenship, as well as on a combination of cultural and political identity (Castles & Davidson, 2000). By contrast, contemporary migrations have led to the breakdown of this link, putting into question the identities of both States (in terms of homogeneity) and migrants (see Section 2.2).

Due to these changes, the concept of citizenship has been redefined. International migrations raise the issue of integrating newcomers from a political point of view. Since the Nation-State is based on single membership, the problem is how to deal with people who already belong to another country. The path chosen by the States has been to grant, after a number of years, a status of either semi-citizenship (permanent residence permit) or full citizenship. In some countries, foreign residents can vote in local elections, and they have been recognised a certain degree of affiliation (if only at a local scale). Finally, albeit with some opposition, many countries now accept dual citizenship (or dual nationality), and thus implicitly recognise the possibility of dual membership (Bauböck, 2003; Barkan, 2004; Faist *et al.*, 2004).

## 2.2 Migrant transnationalism

In this context of increased mobility and communication, migration paths have changed as well. The action of migrating is less definitive than it was in the past, and migrants can more easily maintain contact with their home country without compromising their life in the host society (Portes *et al.*, 2002; Itzigsohn & Saucido, 2002; Snel *et al.*, 2006). Moreover, migrants can now develop migration trajectories that unfold across different countries, beyond the traditional dichotomy between home and host country, and they can even develop forms of (semi-) commuting to exploit the fact that they are able to connect two or more different contexts (Petrillo, 2011).

In order to account for this new reality, in opposition to so-called methodological nationalism (see: Wimmer & Glick Schiller, 2003; Beck & Beck-Gernsheim, 2009), i.e. the analytical approach that is based on the Nation-State, since the 1990s some scholars have proposed a transnational approach to the study of migration (Glick Schiller *et al.*, 1992; Basch *et al.*, 1994).

The term transnationalism<sup>1</sup> refers to “the process by which immigrants forge and sustain multi-stranded social relations that link together their societies of origins and settlement. We call these processes *transnationalism* to emphasize the fact that many immigrants today build social fields that cross geographic, cultural and political borders” (Basch *et al.*, 1994, p. 7). Hence, although migrants<sup>2</sup> may be integrated in their country of destination, they continue (in various ways and degrees) to participate in the life of their country of origin. For example, some studies (Guarnizo *et al.*, 2003; Snel *et al.*, 2006; Vacca, 2013) underline the idea that migrants who are better integrated in the country of destination are not among those who develop fewer transnational practices and connections.

Therefore, migrants maintain links with their country of origin as well as with relatives and co-nationals located in other countries (Levitt & Jaworsky, 2007). The notion of transnationalism involves a complex of cross-border social ties between persons in different places (Molina *et al.*, 2015). These ties influence migrants’ lives and allow them to be embedded in more than one society. Early scholars of transnational migration called this complex of social relations the ‘transnational social field’, whereby migrants “live within a ‘transnational social field’ that includes the State from which they originated and the one in which they settled. A social field can be defined as “an unbounded terrain of interlocking egocentric networks” (Glick Schiller & Fouron, 1999, p. 344). In other words, a transnational social field is a combination of intertwined social networks (a network of networks) that cross States’ borders (Glick Schiller & Levitt, 2006). Finally, migrants also develop multiple and multisite forms of belonging that cut across national borders (Ehrkamp, 2005; Webner, 2012).

Of course, transnationalism is not a completely new phenomenon; there have been other cases of transnational activities in the past, and people maintained social relationships with persons located at a great distance, but these were less common and not as easy as they are now. Despite this, the phenomenon has now reached a level of ‘critical mass’ (Smith & Guarnizo, 1998; Pries, 2001; Portes, 2003). The technological turn has created the conditions for a radical change in migrants’ patterns of behaviour and a large-scale development of transnational behaviours (Vertovec, 2004). In this regard, even though there is an increasing number of people who “live dual lives: speaking two languages, having homes in two countries, and making a living through continuous regular contact across national borders” (Portes *et al.*, 1999, p. 217-218), not all migrants are involved in transnational practices (and not in all social-life spheres).

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<sup>1</sup> For an analysis of the evolution and the debate pertaining to this concept and approach, see: Kivisto, 2001; Waldinger, & Fitzgerald, 2004; Glick Schiller & Levitt, 2006.

<sup>2</sup> I focus here on migrant transnationalism, which can be considered a grassroots phenomenon (Portes, 2003), connected with individuals’ actions and sense of belonging. In this regard, it is possible to distinguish between transnationalism from above - composed by multinational companies, States, élites, etc., and that from below, which refers to individuals or informal groups, such as migrants (Smith & Guarnizo, 1998; Mau, 2010). In other words, the distinction is between “transnational activities initiated and conducted by powerful institutional actors, such as multinational corporations and States, and those that are the result of grass-roots initiatives by immigrants and their home country counterparts. These have been respectively dubbed transnationalism ‘from above’ and ‘from below’” (Portes *et al.* 1999, p. 221).

Transnationalism has different degrees of intensity; transnational practices can be developed in a constant, periodic, or occasional way - and may involve different areas (economic, political, or social). Therefore, the term *transnationalism* refers to partially different phenomena, both in terms of intensity and scope.

It is possible to distinguish three spheres of transnational activities (see for example: Portes *et al.*, 1999, Levitt, 2001):

- The economic sphere: this refers to the economic activities carried out by migrants in connection with their country of origin and/or other foreign countries, mobilising resources and contacts from different contexts. Examples of economic transnationalism are: remittances; cross-border businesses.
- The political sphere: this refers to migrants' political participation in relation (mainly) with their country of origin (e.g. associations linked to political parties in their country of origin, or voting in elections in their country). As stated by Østergaard-Nielsen (2003), the political realm includes "various forms of direct cross-border participation in the politics of their country of origin by both migrants and refugees [...], as well as their indirect participation via the political institutions of the host country" (p.762). Regarding political participation in the country of destination, this often takes the form of mobilisation for better access to services, demonstrations against discrimination and so on.
- The socio-relational sphere: this refers to maintaining social ties with people abroad (who live in the country of origin or in other countries) and participating in initiatives usually connected to the country of origin (e.g. sports and music events).

In addition, Itzigsohn and colleagues (1999) distinguish between transnational practices in a strict sense (narrow transnationalism) and in a broad sense (broad transnationalism). These two types of transnationalism represent opposite poles in a *continuum* of different transnational practices. These two poles can be distinguished according to their degree of: (1) institutionalisation; (2) individual involvement; (3) physical mobility (Itzigsohn *et al.*, 1999). Thus, a migrant might be deeply involved in a certain transnational economic activity and, at the same time, also experiment weak forms of transnational practices in another sphere. For example, from an economic point of view, remittances are a case of broad transnational practices, whereas cross-border businesses owned by migrants are an example of narrow transnationalism. As for the political sphere, voting in an election in their own country is attributable to a broader definition of transnationalism, while being involved in political associations in the country of origin is a good example of a more restricted definition.

In similar fashion, Guarnizo (2000) distinguishes between core and expanded transnationalism, namely between high-intensity and low-intensity transnational activities. The first refers to the case of migrants who are regularly involved in transnational activities, where these are a central and integral part of their lives. The second refers to people who participate



in transnational activities only occasionally, on specific occasions or for particular events such as elections or emergencies.

In this respect, Levitt (2001) distinguishes comprehensive versus selective transnationalism. A migrant may be involved in transnational activities in a single particular area (selective transnationalism), or he/she may be transnationally active in multiple spheres (comprehensive transnationalism). A person may develop forms of core transnationalism in one field, and forms of expanded transnationalism in another. An example of comprehensive core transnationalism is the case of a transnational entrepreneur who is also involved in political activities in his country of origin. By contrast, a transnational entrepreneur whose contacts with the country of origin are almost exclusively related to working reasons would be a good example of selective core transnationalism. A migrant may be said to be involved in selective expanded transnationalism if he/she occasionally participates in activities in one sphere (such as, for example, sending money to members of the family who have remained in the country of origin), and involved in comprehensive expanded transnationalism if he/she carries out occasional cross-border activities in more than one area.

Apart from concrete actions in different social spheres, the concept of transnationalism refers to the fact that migrants act according to multiple frames of reference (Reese, 2001; Pries, 2001; Louie, 2006). Indeed, migrants' lives and actions are influenced not only by their context of arrival, but they are also strongly affected by their context of origin (or by other contexts). Even though migrants are based in a context of destination, in everyday life they act in reference to different places and groups (Ehrkamp & Leitner, 2003), for example their co-nationals, their country of origin, neighbourhoods in their city of destination. Values, norms, habits and their possible consequences on these contexts are taken into consideration in migrants' decisions and actions.

In this regard, Rouse (1992) introduced, and, later, Vertovec (2004) developed the concept of bifocality to explain that migrant membership and everyday practices now take place in two contexts. The concept of bifocality refers to a dual orientation, namely the fact that their lives and actions are influenced both by their context of arrival (country of destination) and their context of origin (country of origin). Migrants remain deeply linked to their country of origin and maintain a strong sense of connection and closeness to places and people there. At the same time, they develop similar feelings in reference to places and people in the country of destination. The two contexts (with their sets of norms, rules, habits, etc.) merge together and become part of a unique area of experience influencing their actions and decisions. Migrants show an aptitude to adopt patterns of behaviour and consumption from both their country of origin and their country of destination (see for example Salih, 2001).

The discourse on frames of reference and bifocality is strictly connected with migrants' sense of belonging, since this is also affected by the new migration paths. Transnational practices tend to redefine traditional inclusion paths; nowadays migrants tend to develop forms of belonging

that cut through fixed, monolithic categories (Dwyer, 2000). This new sense of belonging takes a multi-level form: migrants establish affiliations with different places (e.g. country of destination/country of origin) at different spatial scales (national or local) and with different groups. Thus, the process of identity development among transnational migrants should be understood as “emerging embedding and disembedding in different social spaces” (Pries, 2001, p. 20).

Transnationalism implies the recognition of migrants as agents who are able to forge their own identities and sense of belonging, beyond the classical dichotomy between ‘assimilated’ and ‘unassimilated’. Specifically, identification with the country of origin remains both strong and visible, and it plays a key role in migrants’ identity (Faist, 1998; Ehrkamp & Leitner, 2003; Ehrkamp, 2005; Waldinger, 2008; Ho, 2009). However, this transcends the mere identification with the country of origin and it usually also extends to the context of destination. In particular, migrants tend to develop forms of attachment which are often local, at the neighbourhood and/or city scale in their country of destination. This attachment develops as a daily process in which migrants themselves contribute to changing the urban landscape in which they operate and feel attached to. The fact of belonging to their place of settlement is reflected in the practices of active citizenship, such as demonstrations (against discrimination, to claim certain rights) and participation in local associations.

Furthermore, migrants feel they belong, and they tend to identify with different groups which are not necessarily related only to their national origin (Ehrkamp & Leitner, 2006; Leitner & Ehrkamp, 2006), e.g. other immigrants, natives, etc. On other occasions, they develop a feeling of social distance from the group of their co-nationals in the country of migration (see for example: Anthias, & Cederberg, 2009; Garapich, 2012).

### 2.2.1 *Grounding transnationalism*

The literature on transnationalism (see, for example Landolt *et al.*, 1999, Smith & Guarnizo, 1998; Smith, 2005) has underlined that transnationalism is not a de-territorialised phenomenon independent from the context in which migrants’ actions develop. Smith and Guarnizo (1998) stressed the need to give a ‘geographical location’ to transnationalism. Transnationalism is a place-based, but not place-bound, phenomenon (McKay 2006; Brickell & Datta, 2011); it takes place in concrete spaces which are not gated, where separate realities interact with one another, and global processes reflect these various contexts (Massey, 1994; Cresswell, 2004). Transnationalism is a multi-scalar phenomenon which ‘rests on’ a series of geographic spaces located at different spatial scales (basically: neighbourhood, city, region, and nation). Transnational practices are inserted in specific local and mutually interconnected realities (Gielis, 2009). Therefore, the context in which transnationalism takes place transcends local boundaries (which are becoming porous) and becomes trans-local (Smith, 1998; Levitt *et al.*, 2003). There is a re-definition of the “boundaries of the local in an effort to capture the increasingly complicated nature of spatial processes and identities, yet this redefinition insists on viewing such processes and identities as place-based rather than exclusively mobile,

uprooted or travelling” (Oakes & Schein, 2006, p. 20) This means that local embeddedness is strictly connected to external links with other (local) places.

The importance of different places in migrant transnationalism is connected to the fact that the migrants’ actions are conditioned by the contexts where these actions take place (Al-Ali & Koser, 2002; Dahinden, 2005 and 2009). The intensity and the forms of transnational practices carried out by migrants are shaped by the structure of the places in which migrants are inserted: “[transnational] practices [...] are influenced by the particular multi-level institutional environment which migrant actors negotiate their way through” (Østergaard-Nielsen, 2003, p. 760).

In general, both contexts impact on transnational practices. For example, from the point of view of the environment of origin, coming from situations of generalised violence does not facilitate the maintenance of transnational relations (Portes *et al.*, 2002). By contrast, departing from a more peaceful and concentrated context (for example, a small town) might well be a facilitating factor (see for example: Landolt *et al.*, 1999; Landolt, 2001). The context of destination and the ways in which migrants are integrated affect their propensity to develop transnational practices. Migrants from scattered and modestly concentrated groups (spatially speaking) or groups that are less discriminated against are usually less involved in transnational behaviours compared to those who suffer discrimination and/or who are part of more spatially concentrated groups (Portes, 2003).

In conclusion, migrants are affected by the economic and political situations, and the institutional settings at a local, regional, national, and supra-national scale (agreements between states, EU policies). In addition to States, which retain a power of control with regard to the legal status of immigrants (see Section 2.1), it appears that policies at a local scale also play an important role. As underlined by Bauböck (2003), regional and city policies might seem to be nothing more than State policies in a smaller scale. However, they are very different in content from those of the State, as they are often more inclusive<sup>3</sup> (Penninx *et al.*, 2004).

### 2.3 Transnationalism, multifocality and embeddedness

Starting from the concept of bifocality, which emphasises that migrants have dual perspectives (country of origin/country of destination), I now propose the concept of multifocality<sup>4</sup>. In fact, migrants are not only linked with and involved in two places, but rather their views (and sense of belonging) become multiple and multi-sited (Ehrkamp, 2005). Even though migrants live in their country of destination, in everyday life they act in reference to different places and groups (Ehrkamp & Leitner, 2003), e.g. their co-nationals, their country of origin, specific neighbourhoods in their city of destination, etc.

The concept of multifocality, as that of bifocality, does not concern concrete actions, but rather several frames of reference affecting migrants’ behaviours. These frames of reference are concretely represented by places (e.g. city of destination) and groups (e.g. natives).

Firstly, multifocality refers to links with different places, since they might be involved in

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<sup>3</sup> Actually, in recent years, there have also been cases of discrimination policies at a local scale (Ambrosini, 2013).

<sup>4</sup> The word was previously been used by Faist (2000) in his seminal book on international migrations and transnational social spaces. However, he used the word once and he never developed it as a concept.

various activities in their country of origin, their country of destination, and possibly other countries as well. These connections may apply to different spatial scales: national, regional, municipal, and local neighbourhood. In fact, migrants can be linked to several countries at different levels. Ehrkamp (2005), for example, shows that Turkish migrants in Germany develop feelings of engagement with their host society at a local scale (mainly, the neighbourhood level) without this affecting their attachment to their home society.

Secondly, the concept refers to links with different groups. As regards migrants, four main groups must be taken into account: the family (immediate and extended relatives), co-nationals, natives (of the country of destination), and people of other nationalities (from all over the world). Indeed, groups are a powerful vehicle for the diffusion of norms, customs and traditions that migrants take into account.

In short, a connection to different places and groups, and the interplay between these, provides migrants with a set of norms, values and customs which may influence their behaviour and activities. As such, the concept of *multifocality* refers to *simultaneous links with multiple places and groups*. Concretely, multifocality means that migrants take into account multiple places and groups for their actions.

The concept of multifocality is strictly connected with that of embeddedness, i.e. being embedded in, and referring to, different places and groups that are strictly associated (in daily life and, in this case, in entrepreneurial activities). The concept of embeddedness starts from the theoretical conviction that economic action is not driven only by individual and economic calculation (Mingione, 2006); on the contrary, it is strongly structured by social contexts such as networks, institutions, norms and values (see Granovetter, 1985; Polanyi, 1957). The concept of embeddedness is the starting point for analysing individual economic behaviours such as immigrant entrepreneurial activities (Mingione & Ghezzi, 2007).

With reference to migrants, Portes (1995) differentiates between relational and structural embeddedness: “the effect of modes of incorporation on individual economic actions can also be interpreted as a form of embeddedness. The limits and possibilities offered by the polity and the societies at large can be interpreted as the *structural embeddedness* of the process of immigrant settlement; the assistance and constrains offered by the co-ethnic community, mediated through social networks, can be defined as instances of *relational embeddedness*” (p. 25).

In structural embeddedness, limits and possibilities offered by polity refer to government policies for legal entry and permanence of immigrants. The ones offered by society make reference to the kind of reception accorded to immigrants; this could be more ‘positive’ (prejudiced) or ‘negative’ (non-prejudiced). In relational embeddedness, Portes links resources and constrains of co-ethnic community to the number (namely, dimension of the co-national group) and characteristics (in terms of job position, e.g. manual workers, entrepreneurs, professionals) of co-nationals in the country of destination. For example, a community composed by a small number of co-nationals who are manual workers provides with difficulties useful resources to the immigrant.

However, Portes' definitions do not totally encompass the whole range of elements influencing immigrant practices. Therefore, in some contrast with the definitions given by Portes (1995), I propose a partially different meaning for the two types of embeddedness.

Structural embeddedness refers to both embeddedness in places and groups. In this regard, it is linked to settlement in the (political, economic, etc.) contexts of the places where migrants may operate. For example, a migrant who is strictly involved in a context such as a neighbourhood in the city of destination might be aware of some particular features that may well influence the business. As such, structural embeddedness refers to *profound and direct understanding of the features of places and groups*.

Relational embeddedness clearly links up with embeddedness in groups. Following Granovetter<sup>5</sup>, relational embeddedness is basically connected to migrants' social networks, which can be composed of one or more groups. Indeed, the concept does not refer only to links with co-nationals - as Portes stressed -, but also includes contacts with other immigrants, natives, etc. Such contacts can provide entrepreneurs with information and other resources that facilitate their business. Hence, *relational embeddedness* refers to embeddedness in social networks and, in particular, to *ego's contacts and the relations with and among these contacts*.

Therefore, the group 'dimension' is linked to both structural and relational embeddedness. In relation to the structural, embeddedness in groups refer to a deep understanding of the characteristics of the groups (as ensembles of persons); in connection to the relational, embeddedness in groups refers to contacts with people belonging to this groups.

## **2.4 Transnationalism and entrepreneurship (transnational entrepreneurship)**

One of the most important phenomena in migrant transnationalism is that of entrepreneurial activities carried out in the country of destination with strong links with other countries. The discussion on transnational entrepreneurship has been developed as a cross between the theme of transnationalism and immigrants' entrepreneurial activities. In particular, the term 'transnational entrepreneurship' refers to entrepreneurial initiatives developed by the migrants in the country of destination with business links (with customers and/or suppliers) abroad (Portes *et al.*, 1999; Drori *et al.*, 2009). Therefore, transnational immigrant entrepreneurship involves border-crossing activities. Scholars have underlined that transnational immigrant entrepreneurs (TIEs) base their business on relationships, contacts and exchanges (usually) with the country of origin (Lever-Tracy & Ip, 1996; Portes *et al.*, 1999; Peraldi 2002; Wong & Ng, 2002; Saxenian, 2002; Ley, 2006).

Therefore, entrepreneurs with a transnational business "are individuals that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin, and currently adopted countries and communities. By travelling both physically and virtually, TIEs simultaneously engage in two or more socially embedded environments, allowing

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<sup>5</sup> Granovetter (1985) underlines the fact that people are "embedded in concrete, ongoing systems of social networks" (p. 487) and stresses "the role of concrete personal relations and structures (or 'networks') of such relations" (p. 490) influencing economic actions.

them to maintain critical global relations that enhance their ability to creatively, dynamically, and logistically maximise their resource base. We thus define TIEs as social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities” (Drori *et al.*, 2009, p. 1001).

The phenomenon of immigrant transnational entrepreneurship refers to experiences which are often heterogeneous and connected with different degrees of intensity. There have been two main attempts to define the various types of entrepreneurial transnational activities.

First, Landolt and colleagues (1999) distinguished five types of transnational entrepreneurial activities:

- *Circuit companies*: couriers and, more generally, businesses involving the circulation of tangible and non-tangible goods across the borders of different states (e.g. import/export businesses);
- *Cultural companies*: businesses promoting the national identity of the home country (e.g. companies linked to the production of newspapers, films, television and radio programmes, the organisation of cultural events, etc.);
- *Ethnic companies*: businesses located in neighbourhoods with a high concentration of immigrants (often of the same nationality), employing exclusively co-nationals, and whose clientele is mainly composed by immigrants and ethnic minorities;
- *Return migrant micro-businesses*: companies run by migrants in their home country;
- *Transnational expansion companies*: businesses (e.g. supermarket groups) who view immigrants as part of their natural market.

Second, Ambrosini (2012) defined four types of transnationalism related to self-employment:

- *Circulatory transnationalism*: this refers to activities involving physical movement across borders, with frequent trips between the home-country and the country of destination (examples of these are couriers or immigrants who manage companies connected to each other and usually located in the country of origin and in the State of residence);
- *Connective transnationalism*: this refers to commercial activities that do not presuppose physical movement on the part of the entrepreneur, but which ‘move’ non-tangible goods (e.g. money) or provide communication services (e.g. money transfer companies and phone centres);
- *Commercial transnationalism*: this refers to businesses dealing in products that are bought and sold between different countries. It is not necessary for the entrepreneurs to physically cross borders, and the products are often (but not always) traded with the home country, which means the entrepreneurs have to develop and maintain relationships with people who have remained in their country of origin (e.g. ‘ethnic’ shops);
- *Symbolic transnationalism*: this refers to entrepreneurs who do not import goods,

except in negligible amounts in order to recreate certain environments and moods of their country of origin (e.g. Latin American dancing schools, Turkish baths, etc.). In such cases the transnationalism is prevalently cultural and symbolic.

Combining the two classifications, it is possible to identify three types of transnational immigrant businesses (Figure 2.1): cross-border businesses, intermediary businesses and cultural businesses.

*Cross-border businesses* are those which involve the entrepreneur's continual and fundamental contacts, and often, but not inevitably, travels abroad. In the majority of these cases the businesses also involve the regular movement of tangible goods. The products sold might be both 'ethnic', namely related to the country of origin, and conventional goods. In general, businesses with customers or suppliers located abroad are part of this category. Perfect examples would be international couriers and import/export businesses. Businesses importing goods from abroad and selling them to a local market or, *vice versa*, producing at a local scale and exporting abroad are also cases of this kind of transnational business.

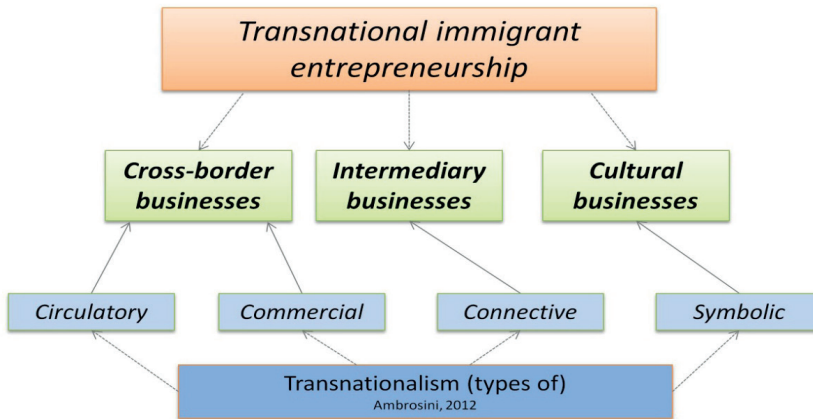
In other cases, cross-border businesses do not imply the movement of tangible goods, but rather the aim of the business is to exploit cross-border relations. A typical example is that of consultancy agencies helping companies (usually from the country of destination) to set up a business abroad (often in the country of origin).

The category of cross-border business is akin to the circuit enterprises of Landolt and colleagues. Those who perform this type of activity carry out actions of circulatory and commercial transnationalism.

*Intermediary businesses* are companies which provide services for immigrants in order to connect them with people and places abroad. In this case, transnationalism is connected to the fact of allowing people (immigrants, but not only) to maintain links with the owner's country of destination and/or others. However, no movement across borders or continuative contacts abroad on the part of the owner are usually involved. Examples of this type are phone centres and money transfer companies.

*Cultural businesses* are ones that contribute to spreading and reproducing the culture and traditions of the home country. They are different from cross-border businesses in that they do not entail continuative contacts abroad. Examples of cultural businesses are: companies organising cultural events, companies producing newspapers for immigrants, and cinemas playing movies from the country of origin. A further example might better clarify the difference between a cultural and a cross-border business. A *hammam* located in Milan and owned by an immigrant is an example of cultural entrepreneurial activity because it reproduces environments and moods of the country of origin, without entailing the import of products from it. This corresponds to Landolt *et al.*'s 'cultural companies', and they exemplify forms of symbolic transnationalism.

Figure 2.1 | Transnational immigrant entrepreneurship



## 2.5 Main approaches to immigrant (transnational) entrepreneurship

In previous literature, some models on immigrant entrepreneurship and transnational immigrant entrepreneurship have already been illustrated. In this section the most fruitful (for my research) theoretical and analytical approaches on immigrant entrepreneurship and transnational immigrant entrepreneurship are presented. Then, starting from the approaches illustrated here, Section 2.6 presents a model to better analyse transnational immigrant entrepreneurship.

In general, the phenomenon of immigrant entrepreneurial activities has been analysed by a variety of scholars, which has resulted in concepts and theories about the inclination and decision to choose self-employment. Among these, two types of analyses can be discerned (see: Kwok Bun & Jin Hui, 1995; Ambrosini, 2011): on the one hand those who focus more on the 'entrepreneur' and supply aspects of entrepreneurial practices<sup>6</sup>, i.e. immigrants' motivations for starting a business, the role of personal characteristics, and the entrepreneur's network; and on the other hand those focusing on aspects related to demand, who analyse economic and market structures, legislative settings, and, more in general, how these influence entrepreneurial activities (see for example: Boissevan, 1992; Engelen, 2001). The majority of past studies have centred on the supply aspect, analysing in detail the determinants of entrepreneurial choice as well as the resources that immigrants rely on when running a business.

Some scholars have tried to combine these two groups of approaches. In particular, two models have attempted to give a more general overview of immigrant entrepreneurial prac-

<sup>6</sup> It is possible to include the following approaches in this group: the culturalist approach (Min, 1987); the middlemen minorities interpretation (Bonacich, 1973; Bonacich & Modell, 1980); the 'Ethnic Enclave Economy' model (Wilson & Portes, 1980; Portes & Stepick 1985; Portes & Manning, 1986); the disadvantage theory (Jones & McEvoy, 1986, Logan *et al.*, 1994; Jones & Ram 2003); the blocked mobility theory (Gold, 1992; Light & Gold, 2000; Rajjman & Tienda, 2000); and the ecological succession explanation (Aldrich & Reiss, 1976; Aldrich *et al.*, 1985; Waldinger *et al.*, 1985).



tices, taking into consideration both the demand and the supply aspects. These are the interactive model (Waldinger *et al.*, 1990), and the 'mixed embeddedness' approach (Kloosterman *et al.*, 1999; Kloosterman & Rath 2001; Kloosterman, 2010).

The interactive model, introduced by Waldinger and colleagues (Waldinger *et al.*, 1990) explicitly focuses on the interaction between contextual opportunities and conditions on the one hand, and personal and group resources on the other hand (p. 22).

Contextual opportunities and conditions are conceptualised by the opportunity structure which is mainly related to market characteristics. In particular, they distinguish between market conditions and access to business ownership.

Market conditions refer to the demand of the services and products a business provides: "for a business to arise, there must be some demand for the services it offers" (p. 21). In other words, every business needs a market. The authors identify different kinds of market which can be addressed by immigrant businesses, in particular under-served or abandoned markets; ethnic markets; markets affected by instability or uncertainty; markets with low economies of scale. Access to ownership refers to business vacancies and government policies (regarding immigrants' entry in the country and starting a business): "immigrants' access to ownership positions largely depends on two factors: (1) the number of vacant business-ownership positions, and the extent to which natives are vying for those slots, and (2) government policies towards immigrants" (p. 28).

As for the characteristics and resources of immigrant groups, Waldinger and colleagues (1990) state that these resources derive from the immigrants' cultural traditions and co-national social networks. Cultural factors refer to: a particular predisposition of some individuals and groups towards entrepreneurship; individual background; 'blocked mobility' as people do not succeed in finding a job in line with their educational background and skills (Light & Bonacich, 1998; Light & Gold, 2000). A key role is also assigned to co-national networks, as resources that can be assessed through these networks. Through such networks immigrants can easily find reliable staff, key information and also financial help (Salaff *et al.*, 2003). In fact, the greater the ability of the co-national group to mobilise resources, the better help the immigrant might receive.

In conclusion, the central point of Waldinger and colleagues' contribution is that they introduced the concept of 'opportunity structure' and highlighted the importance of the interaction between immigrant entrepreneurial elements (such as skills, resources, and social networks) and economic and market possibilities in understanding immigrant entrepreneurial activities.

As the definition of 'opportunity structure' was limited, the interactive approach was further developed by Kloosterman and Rath (Kloosterman *et al.*, 1999; Kloosterman & Rath, 2001; Kloosterman, 2010), who proposed the so-called 'mixed embeddedness' approach.

As in the interactive model, the key issue is the matching process between immigrants' skills and resources (the human and social capital) and opportunity structures. For example,

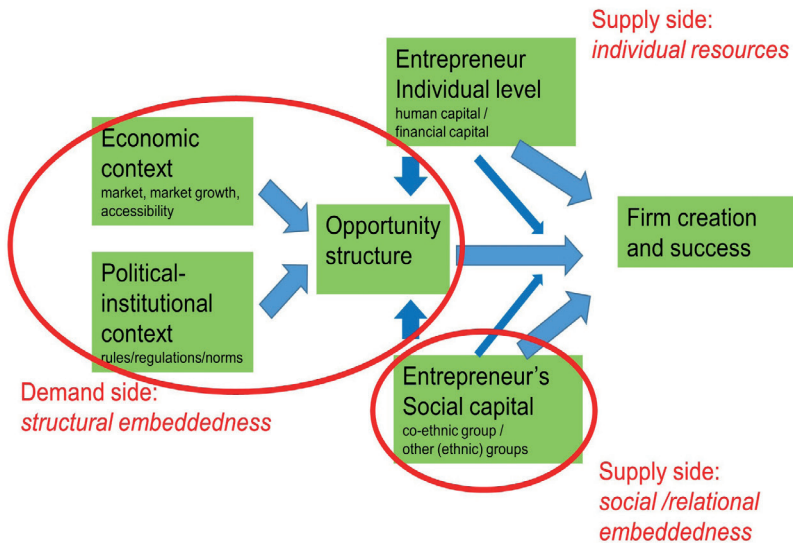
because immigrants often have to contend with a lack of capital and/or inadequate language skills, not everyone is able to innovate and take advantage of the opportunities offered by the markets and, more generally, by the contexts they have connections with.

However, in comparison with the interactive model, the mixed embeddedness approach provides three further advances. First, it uses the concept of embeddedness both in relation to social networks (following Granovetter's definition) and place-bound institutions (Polanyi, 1957). In fact, the model underlines that entrepreneurial activities are affected by being embedded in the structure (laws, rules, market characteristics, etc.) of the places that the business is connected to; at the same time, entrepreneurs are also embedded in their network. As such, entrepreneurs are dual or twice embedded: that is the meaning of the adjective 'mixed' in the 'mixed embeddedness' concept.

Second, opportunity structure is conceptualized as existing at multiple scales in the country of destination (Kloosterman & Rath, 2001): national, regional/urban and neighbourhood level. This distinction between scales of the opportunity structure is important since each level has different features and, as such, impacts on entrepreneurship. For example, they can differ regarding certain policies and institutional initiatives. Market structure and opportunities also differ between regions, cities and neighbourhoods.

Third, Kloosterman and colleagues specify the 'composition' of the opportunity structure in more detail, as composed mainly of the economic context, and the political and institutional context (as underlined by Schutjens, 2014, see Figure 2.2). The economic context refers to several conditions connected to both overall economic and market conditions, such as the country's economic phase (e.g. growth or recession), the industrial structure, market concentration and the demand for particular products or services. For example, the general economic crisis of Southern-European countries has restricted the opportunities for immigrant (and native) entrepreneurs to develop a successful and profitable business. The political and institutional context refers to formal acts promulgated by state entities (for instance: central governments, regional and local governments, chambers of commerce, etc.), such as set of laws, rules and policies which can favour or discourage entrepreneurship. For example, low-barriers to enter the butchery trade (namely, no specific requirements such as a diploma) channelled immigrant entrepreneurs in the Netherlands to start a business in this sector (Kloosterman *et al.*, 1999).

Figure 2.2 | Schutjens' mixed embeddedness model

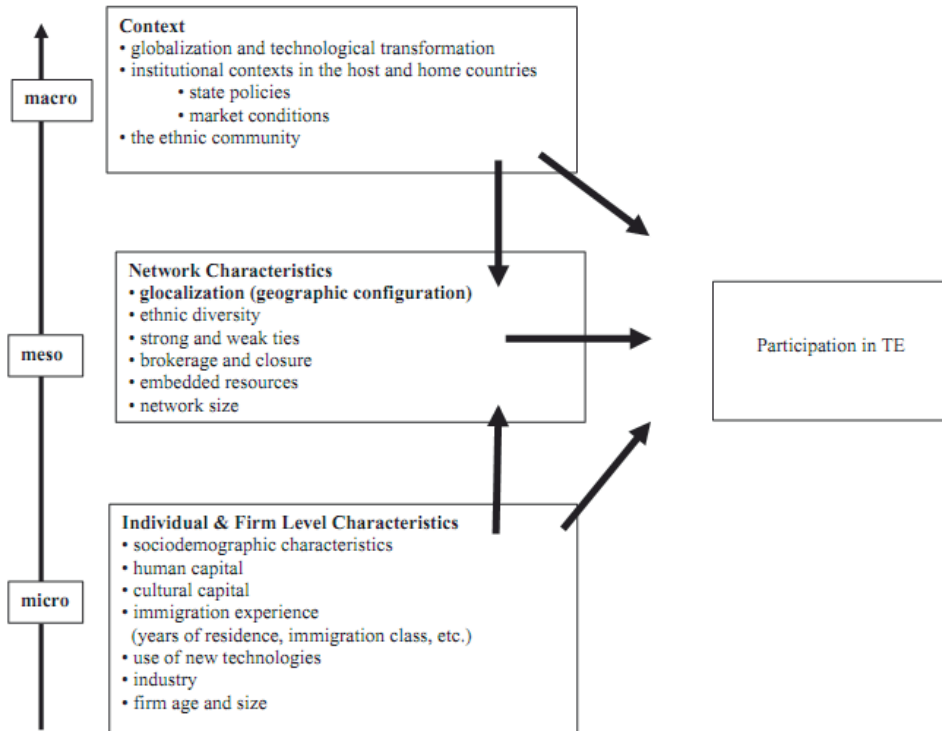


Source: Schutjens (2014).

To sum up, the interactive and the mixed embeddedness models have highlighted two important elements for analysing immigrant entrepreneurship. Firstly, they have stressed that for an in-depth understanding of immigrant entrepreneurship, it is necessary to address both the context opportunities and the entrepreneurs' characteristics and contacts. Secondly, they have clarified that these opportunities are influenced by the political, institutional and economic contexts.

The models presented so far were developed in regard to immigrant entrepreneurship. Only one model for specifically understanding transnational immigrant entrepreneurship has been proposed. This is the Chen and Tan's 'integrative model' (Chen & Tan, 2009), which analytically explaining participation and involvement in transnational immigrant entrepreneurship (Figure 2.3). In particular, the integrative model "takes into account factors at the macro, meso-, and micro levels, and articulates the interplay of 'glocalized' networks with both local and global connections and TE" (Chen & Tan, 2009, p. 1081).

Figure 2.3 | An integrative model of Transnational Entrepreneurship



Source: Chen & Tan (2009, p. 1082).

At the *macro* level, the focus is on the impact of the context of both the country of origin and the country of destination. Chen and Tan mention the following as macro factors: globalisation, the institutional context (of both the country of destination and that of origin), market conditions in the countries of destination and of origin. Furthermore, Chen and Tan particularly call for attention to institutional contexts in terms of government policies. These, in both the country of destination and the country of origin, are very important because they can foster or hinder transnational immigrant entrepreneurship. For example, the authors affirm that through their immigration control policies, 'receiving' states affect the numbers, origin and 'type' of immigrants (e.g. high-skilled vs. low-skilled). State policies in the country of origin may be equally relevant in that they determine economic agreements and benefits for expatriates. Immigrant entrepreneurs with cross-border entrepreneurial activities are also affected by the economic development of their country of origin.

The *meso* level refers to the social networks that entrepreneurs rely on for their business. In this regard, the key concept of the model is the one of *glocalized networks*, namely networks with both local and global connections. These networks are characterised by local embeddedness and global links. The authors state that the geographic configuration of the network impacts on

immigrant entrepreneurs with a transnational business. Both face-to-face communications at a local scale and links with people abroad are important for receiving help and information in order to mobilise resources. In particular, “networks, geographically dispersed, are able to carry the flow of information, knowledge, and resources” (Chen & Tan, 2009, p. 1083).

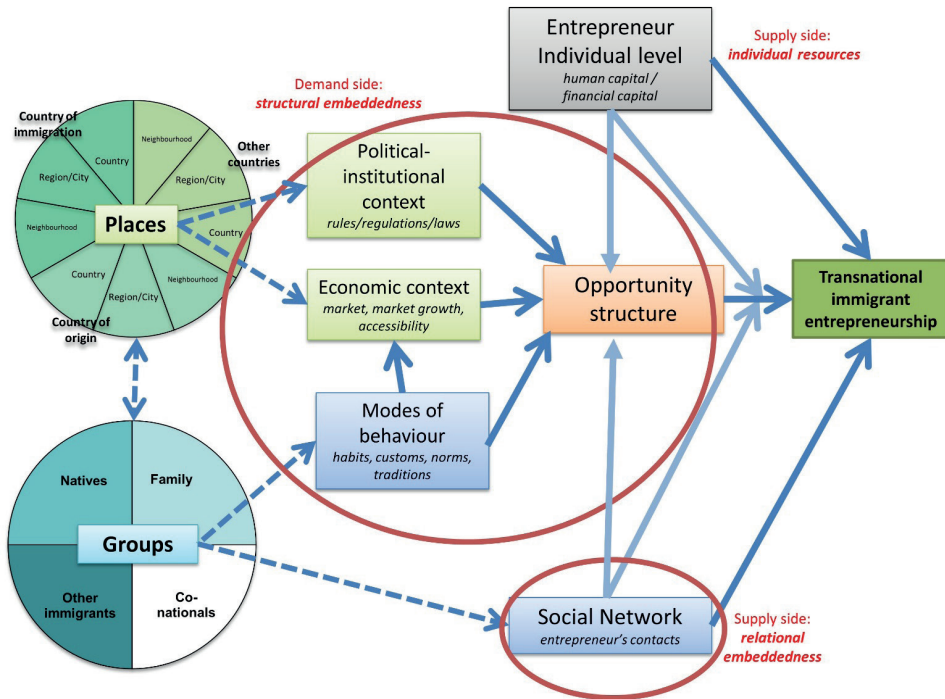
At the *micro* level, the focus is on individual forms of capital mobilised by transnational immigrant entrepreneurs (the human capital). In particular, the authors emphasise the need to analyse the immigrants’ general socio-demographic characteristics, skills, cultural capital and previous work experience.

To sum up, Chen and Tan’s integrative model shows some relevant theoretical and analytical progresses in the field, which are also close to the mixed embeddedness theory. First, they underline the need to take into account both the country of destination and the country of origin. This is an important advance, since the literature on immigrant entrepreneurship has so far mainly emphasised the influence of the country of destination. Second, with the concept of glocalised networks (with both local and global connections) Chen and Tan underline the need to take into account different spatial scales (national, regional and local). Actually, this was already introduced by the mixed embeddedness approach, but only with regard to opportunity structure. What is new in Chen and Tan’s approach is that these different scales are also applied to social networks - thereby linking entrepreneurs to people in different countries in different spatial scales.

## **2.6 A model of mixed embeddedness for transnational immigrant entrepreneurship**

In this section, starting from the ‘mixed embeddedness’ approach and the proposed concept of multifocality and my definition of structural and relational embeddedness (see Section 2.3), a model of mixed embeddedness applied to the field of transnational immigrant entrepreneurship is proposed. In this scheme (Figure 2.4), I recall some features of the different models presented in the last section (the interactive model, the mixed embeddedness approach and integrative model) and I add some elements related to the field of transnational entrepreneurial activities carried out by immigrants. In particular, I further define opportunity structure and clarify the processes through which opportunity structure is seized.

Figure 2.4 | A model of mixed embeddedness for transnational immigrant entrepreneurship



Concerning opportunity structure, which can be defined as the set of opportunities arising from the contextual conditions, I propose to re-define it on the basis of the idea that immigrants' lives and experiences are connected with different places and groups.

Immigrant entrepreneurs run businesses that are connected to specific *places*. These places have certain characteristics and peculiarities that may affect the opportunity structure.

However, the past literature has often referred only to the country of destination - literature on immigrant entrepreneurship - and to the country of origin - literature on transnationalism- (see for example, Levitt & Jaworsky, 2007; Ambrosini, 2011). I stress that it is also necessary to consider the context of other relevant countries, especially in the case of transnational immigrant entrepreneurship. In this sense, the context in which migrants can live their lives and develop their businesses is threefold: country of origin, country of destination, and other countries.

Furthermore, it is necessary to take into account different spatial scales for each country: national, regional, municipal, and district. In particular, each of these has specific characteristics from a political, institutional, social, and economic point of view that might affect entrepreneurial activities.

The national scale refers to the set of policies, rules, laws, and social and economic conditions at the State level that contribute, directly or indirectly, in encouraging or discouraging

(transnational) entrepreneurial activities. As underlined in Section 1, even though States are losing some of their power, they maintain some degree of authority when it comes to certain economic and migration issues.

However, the increasing importance of cities in the global economy and the transfer of some power from States to cities and regions (Sassen, 2006 and 2007) have led cities and regions to have a political and economic impact. For example, often cities have developed their own autonomous economic strategies and paths. Their economic competitiveness and attractiveness does not necessarily depend on them belonging to a powerful State, but rather on their ability to compete with other cities. Thus, cities present different market conditions and characteristics that may affect entrepreneurial activities. Moreover, they have a certain degree of legislative autonomy (e.g. mayoral executive orders) that influence the business.

Context conditions not only differ from city to city, but also from neighbourhood to neighbourhood. For example, one difference might be the percentage of immigrant population, which may entail a different kind of clientele for the business. As underlined by the 'Ethnic Enclave Economy' theory (Wilson & Portes, 1980; Portes & Stepick 1985; Portes & Manning, 1986), in some cases a high concentration of immigrant population can favour the growth of profitable businesses.

As already stated by past models, places' political, institutional and economic contexts contribute to create the opportunity structure. Institutional and political conditions (*political-institutional context*) play an important role in shaping entrepreneurial activities (Baltar & Icart, 2013). They might help create the conditions for the development of transnational businesses and affect the choice of a certain sector. They may also influence the entrepreneurial activities through a structure of incentives and opportunities (e.g. Morawska, 2004; Urbano *et al.*, 2010; Rath & Eurofound, 2011). The institutional framework (at different spatial scales) is composed by formal acts (such as laws, rules and policies) implemented by public entities (i.e. central, regional and local governments, Chambers of commerce, etc.). For example, laws regarding immigration and entrepreneurship influence entrepreneurial activities, and legislation on immigration can easily favour or discourage the rise of import/export activities. Miera (2008) provides an excellent illustration of how the institutional environment can favour the transnational economic activities of one group over those of another. She highlights the fact that Polish immigrants who become entrepreneurs in Germany are more likely to be transnational, whereas the business activities of people from Turkish origin are typically local and connected with their co-nationals' market. This can be explained by the different German migration legislations for Turkish and Polish immigrants. Since 1985, Polish immigrants in Germany have enjoyed less restrictive conditions for self-employment and long-term residence than other immigrants. This allows Polish immigrants to enter different markets (not only that of their co-nationals) and to set-up businesses with connections abroad.

Moreover, some specific rules can affect the business. For example, certain policies against the proliferation of businesses aimed at a clientele of foreigners only (e.g. the prohibition to

open or to relocate this type of business in certain areas like in the city centre, the addition of more requirements than the general rules that normally apply, restrictions on opening hours, etc.) have been implemented in recent years at a local scale in Italy (see for example: Ambrosini, 2013). In this case, these policies discourage the start-up of businesses in certain areas. This type of policies also affects businesses with cross-border relations, since a great number of import/export entrepreneurs have local shops where they sell imported products.

Other relevant policies are the case of business incubators supporting the business start-up (Aernoudt, 2004; Rieddle *et al.*, 2010). An interesting case is that of IntEnt (Rieddle *et al.*, 2010), an incubator based in Den Haag (with some branches in Ghana, Suriname and Morocco), whose aim is to favour the creation of new businesses by migrants. The peculiarity of IntEnt is the focus on 'bridging two worlds' (the country of destination and that of origin) by offering services to migrants who wish to set up a business in their countries of origin.

Apart from institutional and political conditions, the economic situation (*economic context*) plays an important role in influencing the business. The economic situation refers to several features connected to both the overall economy, and market and production conditions.

The former includes all the conditions of the economy (unemployment level, productivity; inflation, economic phase - prosperity, recession, depression, and recovery) of the place with which the business has connections. For example, the economic crisis has a negative impact on immigrants' chances of business survival and growth. At the same time, the fact that in some European countries (such as Italy) the crisis has had a stronger impact than in other countries might lead immigrants to start trading with other countries in order to take advantage of the better economic situation.

Market conditions play a central role in influencing the business. I consider that markets have two fundamental characteristics<sup>7</sup>: accessibility and structure. Accessibility refers to the barriers restricting access. For example, if a specific degree or certificate is required this would likely limit the number and type of entrepreneurs entering the market. Likewise, a market where a considerable investment is required (to buy machinery, for example) is mostly inaccessible to many immigrants. As for market structure, it refers to the number of participants in the market (both in terms of supply and demand), as well as the relationships and the distribution of power between these actors (Engelen, 2001). For example, it would be difficult for an immigrant to open a profitable business in a market where the product is offered by many other businesses, and therefore the demand is not very high. Market conditions are fundamental for cross-border businesses, which usually connect more than one market. In this case, not only are the characteristics of these markets important, but so are the interplay and the 'harmonisation' among the different markets involved. The specialisation in producing certain products (e.g. industrial clusters) might create opportunities that entrepreneurs can take advantage of.

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<sup>7</sup> Other authors (e.g. Engelen, 2001) stated that markets have more than these two characteristics (e.g. actors, products, etc.). Here I decided to take into account the two I consider more important.



The link with different *groups* can also provide opportunities that entrepreneur can seize. With regard to migrants, four main groups must be taken into account: family (immediate and extended), co-nationals, natives (of the country of destination), and people of other nationalities<sup>8</sup>.

Here, the concept of opportunity structure is further developed by paying more attention to the group side of opportunity structure. In particular, I propose to add a new sphere, namely that of the groups' modes of behaviour. The features of these groups in terms of modes of behaviour contribute to create opportunity structure. I define modes of behaviour as the set of habits, role models and attitude distinctive of a certain group.

Past studies on immigrant entrepreneurship have treated the role of groups in two ways. Firstly, they have mainly analysed the characteristics of co-nationals (as was done for example in the culturalist approach to immigrant entrepreneurship, see Min, 1987, and in the interactive model), such as the entrepreneurial attitudes of some ethnic minorities (e.g. Korean and Chinese). Secondly, past scholars have often relegated group behaviours to market conditions. Indeed, both the interactive model and the mixed embeddedness approach tend to restrict group characteristics and behaviours to the general category of market conditions.

Examples of modes of behaviour include consumption habits and entrepreneurial conducts. Examples of distinctive behaviours are: the propensity for many immigrant group to cluster in certain business sectors (e.g. in Italy many Egyptians open take away pizza shops); for many Asian populations, the consumption of rice; for British people, the habit of drinking tea. Kwak and Hiebert (2010) provide an interesting example of how group behaviours offer opportunities for immigrant entrepreneurs and, in particular, transnational ones. The authors analyse the custom of going abroad (usually to Canada or the US) to learn English by young Korean people. This provides Korean entrepreneurs in Canada with a good way of developing a successful transnational business: they set up language schools for Koreans who want to go to Canada to learn English. These schools are very particular because, although based in the country of destination, they have a strong connection with the country of origin (usually through a partner based in Korea). Thus, in order to attract and satisfy the demand from Korean people, Korean entrepreneurs developed their business by connecting a demand of co-nationals (the need to learn a language) and resources from the country of destination (the fact that in Canada English is one of the official languages). Providing another example, Urbano *et al.* (2011)'s research into immigrant entrepreneurs of different nationalities with a transnational business (Moroccans, Chinese and Romanians) in Catalonia (Spain) underlined that role models (e.g. successful examples of entrepreneurial path by co-nationals) and the entrepreneurial aptitudes of co-nationals are very important for the emergence of transnational businesses.

Modes of behaviour affect both the conditions of the market in which entrepreneurs develop their business (economic context) and opportunity structure. Two examples can clarify this double influence. First, the high entrepreneurial prevalence among certain populations (e.g. Chinese or Italians) can influence opportunity structure in a direct way. The example of many co-nationals

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<sup>8</sup> These can be other immigrants in the country of destination or natives of other countries (from neither the country of destination nor the country of origin).

running successful businesses can lead new immigrant entrepreneurs to imitate good strategies and practices. Second, the consumption patterns of a certain group concentrated in a certain place (e.g. eating pasta for Italians) modifies market conditions (economic context).

As stated in previous models on immigrant entrepreneurship, groups also impact on business practices through the entrepreneur's personal contacts (social network), which can provide support for the business, and constitute the entrepreneur's social capital. Personal contacts influence entrepreneurial activities directly. Contacts can provide information about various available opportunities from several places (Smans *et al.*, 2013), and they might provide relevant help in managing the business, both in the country of destination (regarding immigrant entrepreneurship in general) and in other countries. The past literature on transnational entrepreneurship has stressed the role of social networks as the driving force behind transnational businesses (Portes *et al.*, 2002; Patel & Conklin, 2009; Patel & Terjesen, 2011). The role of social networks for cross-border businesses seems to be even more relevant than for immigrant entrepreneurship in general, because transnational businesses need information and help in connection with more than one social context. Entrepreneurs with a transnational business usually need to rely on a number of contacts to find out about and take advantage of available opportunities, and to manage the part of the business that is located abroad.

According to the past literature on transnational entrepreneurship, what matters is not only the size of the network, i.e. the number of ties, but also its scope, i.e. the diversity in social and geographical terms, to increase the possibility of developing transnational activities (Portes *et al.*, 2002; Patel & Conklin, 2009). In particular, having a wide range of contacts, both weak and strong ties (from the country of origin, the country of destination, and/or other countries) is particularly useful when wanting access to all kinds of information and opportunities.

In this regard, following the work of Chen and Tan (2009), it is important to underline the fact that key contacts can also be situated outside the country of destination. For example, a recent article by Bagwell (2015) into the use of different forms of (transnational) capital to further develop the business by Vietnamese entrepreneurs in London underlines that these entrepreneurs have several contacts and links abroad. These links are not only with people in their country of origin but, also with persons (usually co-nationals) located in other countries.

Furthermore, individual characteristics affect immigrant entrepreneurial activities. Both human capital and financial capital can be considered individual characteristics. Financial capital refers to the amount of money an entrepreneur can invest in the business. It can influence the choice of area (as some sectors require a high initial investment), and it might also affect prospective business growth. For example, in order to open a branch of their business in another country, entrepreneurs need an initial investment, something that only those with a considerable financial capital are able to do. Human capital refers to a set of background (e.g. entrepreneurial family background), skills (e.g. education), knowledge (e.g. past experi-

ence), and personal attributes (e.g. creativity, ability to innovate). Individual resources affect entrepreneurial activities directly. For example, education might provide the skills to manage a business more easily. For example, having a high-school degree in Accounting or a degree in Business Administration could make for better business management skills. Sometimes just the fact of having studied may well provide certain important abilities such as good reasoning and analytical skills, which are often useful when managing a business (Chiesi & Zucchetti, 2003). Other personal abilities can also be helpful. For example, language skills seem fundamental for broadening the business and starting to trade with foreign countries (Light *et al.*, 2002). Previous knowledge of the sector can also facilitate the start-up and growth of a transnational business (Lin, 2008; Patel & Conklin, 2009; Ambrosini, 2012). For example, if the entrepreneur already knows the suppliers, he or she can more easily obtain payment deferrals for the products being bought; this can be fundamental particularly in the early stages of the business. Previous knowledge of the market (or of similar markets) also allows the entrepreneur to understand in which 'direction' to expand the business. In addition to work experience, life experiences (such as travels, migration, etc.) can also be mobilised for the businesses (Terjesen & Elam, 2009).

Finally, according to the model illustrated here, the opportunity structure is influenced by three spheres of opportunities (the political-institutional context, the economic context, and modes of behaviour). In comparison to the mixed embeddedness approach, I introduce a third pillar, namely that of modes of behaviour. As in the mixed embeddedness model, the entrepreneur's personal resources and contacts influence the knowledge of this opportunity structure (identification of available opportunities) and how immigrant entrepreneurs take advantage of it (seizing of available opportunities). For example, an Italian immigrant in a country where pizza is highly in demand might have problems starting up a *pizzeria* because he/she does not have the necessary skills to make a good pizza or the financial capital to hire a good pizza chef for lack of money. Or, he/she may have the money to employ a very good pizza chef, but may not be able to find a good one because his/her contacts (the social capital) do not provide the help needed.

Opportunities from the various spheres might be identified and seized<sup>9</sup> thanks to a certain degree of multifocality as well as relational and structural embeddedness (see the part in the middle of Figure 2.4). Entrepreneurs may be able to identify and exploit opportunities thanks to a deep knowledge of, and insertion in, the places and the groups that they are connected with (structural embeddedness). Since migrants' lives are deployed in several places, they may have deep knowledge of the situation in more than one city and/or country. Thus, migration paths can provide the entrepreneur with the necessary knowledge to develop a cross-border business. For example, an immigrant might know a specific need of the population in the country of destination and also be familiar with the market of the products required in his/her country of origin, and thus be able to exploit this double knowledge for his/her business. The opportunity structure might also be

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<sup>9</sup> As underlined in Chapters 1 (Introduction) and 7 (Conclusions), how immigrant entrepreneurs identify and seize available business opportunities is the central topic of this dissertation.

recognised due to some key contacts (relational embeddedness). Embeddedness in groups can provide useful resources and information for the entrepreneurial activity.

## 2.7 Sub-research questions

Starting from the model illustrated above, and on the basis of the main research questions illustrated in the introduction (Chapter 1), specific sub-questions arise:

- a. Opportunity structure and structural embeddedness:
  1. What spheres, places and groups contribute to creating TIEs' and DIEs' opportunity structure?
  2. Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?
  
- b. Social Networks and relational embeddedness:
  1. Do TIEs and DIEs differ in their business network composition and structure?
  2. Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?
  
- c. Individual characteristics, and structural and relational embeddedness:
  1. Do TIEs and DIEs differ in how individual characteristics are relevant for the purpose of identifying and seizing business opportunities?
  2. How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?

## 2.8 Conclusions

In the last thirty years, globalisation processes have changed the world in which we are living. In particular, increasing possibilities of communication and mobility allow people to stay in touch with persons and places all around the world.

Regarding migrations, these changes provide a framework to develop partially new migration trajectories and forms of belonging. Migrating might not involve a partial break with the society of origin, as underlined by authors in the past (see for example: Hall, 1990; Sayad, 1999)<sup>10</sup>. By contrast, migrants are able to maintain contact with their country of origin and to be more mobile. Currently people have “the possibility to come and go, to move among several countries, building networks through a sort of ‘commuting’ between multiple worlds. [...] There is a possibility - for those who have enough courage, energy and intelligence to do

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<sup>10</sup> However, recently Pnina Webner (2013) partially contrasted this view by stating that “not even the new information and communication technologies (ICTs) such as imported films, music and satellite TV beamed directly from the homeland, or the alleged speeding up of international travel, can overcome the gaping absence of embodied, everyday, nurturing co-presence of a migrant’s loved ones” (p. 120).

so - to play 'the game of their lives' at multiple tables" (Petrillo, 2011, p. 51)<sup>11</sup>.

It is in this changing global and migratory landscape that transnational entrepreneurial practices develop. These represent a case *par excellence* of persons engaged in activities referring to multiple contexts. Migrants can succeed in pursuing migration paths and, possibly, entrepreneurial activities that link the country of origin and the destination country, and, possibly, other places as well. In this regard, I have proposed the concept of multifocality, which refers to simultaneous links with multiple places and groups. Therefore, migrants take into account multiple places and groups for their actions.

For many migrants, this means that they are embedded in these places and groups. For example, they have many contacts in a place and these belong to a certain group, or they have a deep knowledge of the characteristics of the places with which they have contacts. To account for this embeddedness, I have re-defined - based on the definitions of Portes (1995) - the concepts of structural and relational embeddedness. Structural embeddedness refers to a profound and direct understanding of the features of places and groups, whereas relational embeddedness refers to ego's contacts and the relations with and among these contacts.

However, not all migrants are involved in transnational practices and are able to fully exploit the new possibilities. In order to develop transnational economic activities there has to be a favourable opportunity structure, and entrepreneurs need both resources and expertise. The processes underlying transnational entrepreneurship deserve more attention. For this reason, I propose a partially new model (combining the previous models with the transnational approach). This model has three main new features compared to the previous ones:

1. It stresses the idea that different places (not only the country of destination but also that of origin and third countries) and groups (co-nationals, natives, other immigrants) are taken into account by immigrant entrepreneurs (multifocality) and, therefore, they have to be considered in the analysis of the phenomenon.
2. Besides institutional-political and economic contexts, which mainly refer to places, opportunities (opportunity structure) are also created by groups' modes of behaviour. I define modes of behaviour as the set of habits, role models and attitude distinctive of a certain group.
3. Apart from personal characteristics (e.g. education, family background, etc.), opportunities can also be sized thanks to a certain degree of structural and relational embeddedness.

In conclusion, as illustrated in the introduction (Chapter 1), the empirical research illustrated in the next chapters aims to shed further light on the 'middle' part of the model graphically represented in Figure 2.4, namely how opportunities are identified and seized.

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<sup>11</sup> The translation from Italian to English is mine. The original quote is: "la possibilità di andare e venire, di spostarsi tra più paesi, costruire reti di una sorta di 'pendolarismo' tra più mondi. [...] esiste - per chi ha coraggio, energia e intelligenza sufficiente per farlo - la possibilità di giocare su più tavoli la partita della propria esistenza".



# CHAPTER 3

## Research design: Moroccan entrepreneurs in Amsterdam and Milan

Starting from the transnational entrepreneurial practices of migrants as a theoretical and conceptual focal point, I analyse the case of Moroccan entrepreneurs in Amsterdam and Milan. In order to better understand transnational entrepreneurial practices I compare entrepreneurs with a cross-border business (TIEs) and the ones with a business operating exclusively in a domestic market (DIEs).

Following Smith and Guarnizo (1998), the research focuses on one national group across two cities in two national contexts. In the past, comparisons have usually been made between different national groups in the same city, or in different cities in the same country. However, the comparison undertaken here is crucial for understanding how transnational practices may vary according to structural and institutional situations in different contexts. For this reason, I carried out a comparative study using the “contrast of contexts” method (Skocpol, 1984, p. 177). Furthermore, I decided to consider only one nationality (people from Morocco) in order to control the variations among different groups of immigrants. For example, in their pioneering research on transnational entrepreneurship in the US, Portes and colleagues (2002) found different degrees of transnational entrepreneurial involvement comparing Colombian, Dominican and Salvadoran entrepreneurs. In this way, findings will be free from the effect of possible variations across immigrant nationalities.

Finally, to avoid inserting an additional element of variation about groups (and modes of behaviour), it was decided to consider only people born in Morocco, and not children of Moroccan immigrants born in the Netherlands or in Italy. Indeed, the fact of not being born in Morocco might involve different feelings, memberships and behaviours compared to first-generation migrants (Portes & Zhou, 1993; Waters, 1994; Levitt & Waters 2002; Portes *et al.*, 2005).

In this chapter, I will explain my choice of the two contexts (Amsterdam and Milan) considered (Section 3.1), the selection of immigrants from Morocco (3.2), and the types of immigrant entrepreneurs I compared (3.3). After explaining the reasons why I decided to compare different types (TIEs and DIEs) of Moroccan entrepreneurs in Milan and Amsterdam, I will describe the methodology used in the research (3.4), including sampling strategy (3.4.1) and how interviews were conducted (3.4.2). Finally I will present the sample collected and its characteristics (3.5). Section 3.6 concludes the chapter.

### 3.1 Why Amsterdam and Milan

I opted for Amsterdam and Milan because they met certain specific criteria. First, I wanted to compare a Southern European city and a Northern European one. I decided to do this because Southern and Northern Europe have many differences - in their economic structure, their labour and market structures, their welfare regime, their governance etc. (see for example: Andreotti *et al.*, 2001; Chorianopoulos, 2002; Reyneri & Fullin, 2008 and 2011) - that can make a substantial difference in the results concerning immigrant entrepreneurship. Second, I wanted to consider two cities of similar importance and economic role in their respective countries, hence the choice of Amsterdam and Milan, which play a key economic role (Bontje & Sleutjes, 2007; Mingione *et al.*, 2007 - see also below) in the Netherlands and Italy. Finally, I wanted to analyse two cities that differed in their migratory history, size and composition of immigrant populations, and spread of entrepreneurial activities. As shown below, Amsterdam and Milan differ in these. It is possible to expect that such differences affect transnational and entrepreneurial practices amongst immigrants.

Therefore, Amsterdam and Milan display a combination of similarities and dissimilarities that make the comparison stimulating and unique. The most relevant features that make Amsterdam and Milan particularly interesting for the comparison of entrepreneurial and transnational practices are on a national, regional and urban scale (dissimilarities between Northern-Holland and Amsterdam, and Lombardy and Milan).

On a national scale, the Netherlands and Italy differ in their immigration history, policies and entrepreneurial rate.

First of all, the *immigration history* in the two countries is very different. The Netherlands has been a country of destination for much longer than Italy, where arrivals of migrants from abroad are quite recent. In the Netherlands, immigration in-flows from abroad started after the Second World War, first with arrivals from former colonies (Antilles, Indonesia and Suriname), then, from the 1970s, from Mediterranean countries such as Italy, Morocco, and Spain (Lucassen & Penninx, 1997; Bijwaard, 2010). Despite decades of restrictive policies by the Dutch government, the non-Dutch population has constantly increased due to further arrivals (in particular from Morocco and Turkey) and the birth of immigrant children (Rath, 2009). By contrast, Italy has become a country of destination of immigration flows only in recent years. Previously,



since the mid-seventeenth century, many people emigrated from Italy to Central and Northern European countries (Belgium, Germany, the Netherlands, and Switzerland) and the Americas (Argentina, Brazil, Canada and the United States). In the 1970s this trend started to reverse (Sciortino, 2000; Colombo & Sciortino, 2004), and since the early 1980s, arrivals from abroad have continued to increase, although only in the 1990s did Italy start to be faced with large-scale immigration flows, particularly from nearby Albania and North-African countries.

Secondly, Italy and the Netherlands have different policies regarding the treatment of new foreign entrepreneurs. Such policies can be very significant since they may deny or facilitate access to entrepreneurial activities for foreigners (Kloosterman & Rath, 2001). In this regard, Italian and Dutch laws are quite different. Dutch legislation has been based on a points system that evaluates the characteristics of individuals (e.g. their previous working and self-employment experiences, their income, their education, etc.) and their business plan, which is required from all those who apply for admission in the country as foreign entrepreneurs. Permission, which is granted following the acceptance of this request, is for five years and can be converted, at the end of such a term, into a permanent permit. However, it must be emphasized that this model is to be considered marginal, since in 2008, for example, only 50 permits were granted compared to an estimated 11,000 new foreign entrepreneurs in the same year (OECD, 2010). This happens because the majority of new entrepreneurs already live in the country.

The Italian legislation on immigrant entrepreneurs is based on Legislative Decree 286/1998 and the Turco-Napolitano law (40/1998). The latter abolished the so-called 'reciprocity clause', whereby only people from countries that give this option to Italian citizens were allowed to start a business. By international agreement, this was granted only to countries that are traditional destinations for Italian emigration, and so the majority of immigrants were *de facto* excluded. Furthermore, compared to the Netherlands, Italy has less strict and less demanding criteria. It is sufficient to provide proof of having a place to stay and enough savings to start the business. Italian legislation has the peculiarity of establishing a maximum number of permits for new independent workers, but on average, the number of permits granted is higher than that of many European countries (OECD, 2010). However, in contrast with the Netherlands, this type of permit has a shorter validity (2 years, renewable) and there is no provision for automatic conversion into a permanent permit.

Thirdly, other differences have to do with *entrepreneurship*<sup>1</sup> itself. A comparison of the most recent statistics provided by OECD (2013) shows that the two countries differ in the proportion of entrepreneurs. In the Netherlands, native entrepreneurs are approximately 14% of the total native workforce, and for migrant entrepreneurs the figure is similar (13%), whereas in Italy the percentages are 24.5% and 15% respectively (OECD, 2013). Moreover, the greater Italian inclination toward self-employment is also confirmed by the 'Preference for self-employment' index (Eurobarometer, 2010). This shows the percentage of people who prefer self-employment as opposed to working as employees. The preference for self-employment is higher in Italy (51%) than in the Netherlands (42%).

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<sup>1</sup> In this case I mention statistics at a European or international level to ensure that the definition of entrepreneurship is the same in both countries.

On a regional and urban scale, Amsterdam and Milan differ in terms of immigrant population composition, number of immigrant entrepreneurs, and economic structure.

First of all, the immigrant population composition in the two cities is partially different. Both cities have a considerable number of immigrant residents, but the number of people of immigrant background is higher in Amsterdam<sup>2</sup> than in Milan<sup>3</sup>. In Milan there are about 250,000 immigrants (18.5% of the total population)<sup>4</sup>, whereas in Amsterdam the immigrant population has reached approximately 410,000<sup>5</sup> (i.e. 51 % of the total resident population), a great many of whom are of non-western origin (68% of the immigrant-background group and 34.7% of the total resident population). Furthermore, among these 56% are second generations, meaning that they were born in the Netherlands and at least one of their parents was born in another country. Therefore, considering only first generations, immigrants in Amsterdam are about 183,200, i.e. 22.3% of the total population.

As for numbers of immigrant entrepreneurs in the two cities, in Amsterdam foreign entrepreneurs are about 33%<sup>6</sup> (Rath & Eurofound, 2011), and in Milan this percentage is 23.1%<sup>7</sup>.

Lastly, if we consider the productive and economic structure, both cities show similar characteristics as well as some differences. Amsterdam (and Northern-Holland) is the Dutch central point for services and logistics (Bontje & Sleutjes, 2007). The service sector dominates the economy of Amsterdam (Kloosterman, 2014); Milan (and, more generally, Lombardy) still has a strong industrial vocation (due to small and mid-sized businesses) and it is a central node of import/export flows<sup>8</sup> (Mingione *et al.*, 2007). Furthermore, both cities are considered creative cities, but in partially different ways (Bontje & Sleutjes, 2007; Kovacs *et al.*, 2007; Mingione *et al.*, 2007). In Amsterdam, a number of projects have been developed in recent years (for example, the 'Creative Metropolis' program) for the development of innovation and creativity (Bontje & Sleutjes, 2007). The city is a major centre for culture and entertainment, and it is also known for its lively and tolerant atmosphere. As for Milan, it is appreciated all over the world for its fashion sector and its specialisation in the field of design (Mingione *et al.*, 2007).

To sum up, Amsterdam and Milan were chosen because they differ in their immigration history, their immigrant population composition and size, and in their economic structure. This might produce different results regarding the research questions illustrated in the Introduction and in Chapter 2.

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<sup>2</sup> Dutch statistics consider a person to be an *allochtoon* (the Dutch word to name people with origins from another country) if he/she was not born in the country or if at least one of his/her parents was born abroad (in Morocco in this case).

<sup>3</sup> Italian statistics consider only people born outside Italy.

<sup>4</sup> Source: Istat, 2015. This percentage does not include second generations, but only people born outside Italy.

<sup>5</sup> Source: Amsterdam Municipality (O+S), 2015.

<sup>6</sup> Unlike that of Milan, this percentage also takes into account the so-called second generation, hence the two percentages cannot be compared, but are merely indicative.

<sup>7</sup> Source: Unioncamere/Infocamere, 2014. In Italian statistics, only people born outside Italy are considered.

<sup>8</sup> According to ISTAT data, Lombardy is the first Italian region for the export of goods. For example, it exported 28.1% of total goods from Italy in 2012.

### 3.2 Why Moroccan immigrants

As already illustrated, the study focuses on only one nationality (see the introduction of this chapter). I chose to take into account Moroccan immigrants for three main reasons: 1) they are one of the most significant immigrant groups in both cities; 2) the proportion and the absolute number of people of Moroccan origin differs between Milan and Amsterdam; 3) they come from a country that is not very far, with a certain degree of political, but also economic, stability (thereby facilitating transnational relations).

First, Moroccans are one of the most important immigrant groups in both Amsterdam and in Milan, both in terms of history of migration and size of the population. Considering the history of migration, in the Netherlands people from Morocco arrived earlier than in Italy. The different history of migration might create different 'structures' and conditions in the country of destination, which influences both transnational and entrepreneurial activities (Wang & Li, 2007). In the Netherlands, since the 1960s, many Moroccans have migrated to the country. In subsequent years, the lacklustre economic situation of Morocco further pushed them towards Europe and, in particular, the Netherlands (De Hass, 2007). In Italy, Moroccan immigrants are one of the oldest groups in term of settlement, since they started arriving in the 1980s. In particular, there was a significant increase of the Moroccan population in the years between 1985 and 1991 (Sciortino & Colombo, 2004), and they are still an important group today.

Second, these different historical paths reflect on the number of people of Moroccan origin both on a national and city scale. In the Netherlands they make up 2.2% of the total population (1% if we do not consider second-generations) and 10.4% of the entire population of non-Dutch origin (9.2% if we consider only first generation immigrants)<sup>9</sup>; in Italy people of Moroccan origin constitute 8.9% of the immigrant population and 0.7% of the entire Italian population<sup>10</sup>.

The Moroccan group in the two cities is also different in size and incidence: about 7,100 in Milan (0.5% of the total population)<sup>11</sup> as opposed to about 74,000 people in Amsterdam (9% of the total population)<sup>12</sup>. This will enable me to investigate as to whether or not the size of the co-nationals group affects immigrant entrepreneurs.

There are about 2,567 Moroccan entrepreneurs in Milan, i.e. 2.1% of all entrepreneurs in the city<sup>13</sup>. Unfortunately, data sorted per nationality are not available for Amsterdam. However, just as an indication, there are 8,400 Moroccan entrepreneurs in the Netherlands (i.e. 0.6% of all entrepreneurs)<sup>14</sup>.

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<sup>9</sup> Source: Centraal Bureau voor de Statistiek, 2014.

<sup>10</sup> Source: ISTAT, 2015. Second generations are not included in this count.

<sup>11</sup> Source: ISTAT, 2015.

<sup>12</sup> Amsterdam Municipality (O+S), 2015. Unfortunately, data does not distinguish between first and second generations. However, the most recent data (Nell & Rath, 2009) indicates that about 52% of Moroccans in Amsterdam are first-generation immigrants.

<sup>13</sup> Source: Chamber of Commerce of Milan, 2014

<sup>14</sup> Source: Chamber of Commerce of Amsterdam, 2009.

Finally, Morocco is not very far from either Italy or the Netherlands<sup>15</sup>. For this reason, it seems that geographical distance between the countries does not create an insurmountable barrier for migrant transnationalism. Furthermore, Morocco is a country with a stable political situation (see for example: Arieff, 2015). If this were not the case, political conditions might have discouraged links with the country of origin (Portes *et al.*, 2002; Baltar & Icart, 2013).

### 3.3 Which kind of immigrant entrepreneurs

The empirical research presented in the next chapters aims to provide further insights into transnational entrepreneurship (see introduction). However, to ensure that the results that emerge will not be typical of the whole category of immigrant entrepreneurs, but peculiar to transnational immigrant entrepreneurs, it was decided to include entrepreneurs with both transnational and non-transnational businesses. This distinction will allow us to study the differences between migrants who are involved in transnational entrepreneurial activities and those with mainly domestic businesses, highlighting the peculiarities of the former.

Therefore, in the dissertation two types of immigrant entrepreneurs are taken into consideration: those with a transnational business (TIEs) and those with a domestic business (DIEs). As entrepreneurs with a transnational business, only *cross-border businesses* (see definitions Section 2.4) were considered. Therefore, only businesses with relevant connections abroad, i.e. someone or something that is located abroad and is relevant for the business (e.g. suppliers and/or customers) were included in the sample (see Section 2.4). For example, an import/export business is a typical case of cross-border business. Businesses importing goods from abroad and selling them to a local market or, *vice versa*, producing at a local level and exporting abroad are both types of cases included in this research. Other types of cross-border business are translation agencies with clients abroad (e.g. consulates) or consultancies that help companies to start a branch in the immigrants' country of origin, hence the inclusion of businesses with no regular mobility (i.e. no travels abroad) on the part of the owner. Domestic entrepreneurs are defined here as a contrast category, involving entrepreneurs with a business having relations only within the country of destination.

### 3.4 Methodology

As already pointed out in the introduction, this research focuses on certain important factors influencing the development of transnational businesses, in particular which opportunities are exploited and how entrepreneurs identify and seize these opportunities.

In order to answer to the research questions (see introduction), a qualitative approach using mixed-method questions was employed, combining qualitative questions, quantitative measures and techniques from personal network analysis. Thus, interviews were based on a questionnaire that alternates closed questions, quantitative measurement, social network

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<sup>15</sup> As the crow flies, distance does not vary greatly: 2,200 kilometres from Rabat (the Moroccan capital) to Amsterdam, whereas Rabat to Milan is about 1,800 kilometres. Distance has been calculated with the application of Google Maps Lab.

analysis items, and open-ended questions (see Annex 2 in the Appendix). All the questions were asked orally in a discursive way, in order to encourage fluidity and provide more details. However, since the sample is relatively small and is therefore not representative (see Sections 3.4.1 and 3.5.1), in my analysis I usually present and treat the data in a qualitative way, or in a quantitative way but with qualitative validation of the results.

Qualitative questions (e.g., 'Please describe in detail the activity of your business and in particular activities connected with or located in your country of origin or in other countries') were useful for a detailed understanding of entrepreneurial activities, the entrepreneurs' embeddedness in different places and groups, and the help they received. Quantitative measures (e.g., 'How many times did you go abroad for your business in the last 12 months?') were helpful to collect punctual information such as the frequency of specific transnational actions<sup>16</sup> (as used by Snel *et al.*, 2006).

Social network analysis for ego-networks (Crossley *et al.*, 2015), namely 'Personal Network Analysis' (PNA), is the part of social network analysis focusing on personal networks, namely those where all the persons mentioned share the characteristic of being in direct connection with the interviewee. PNA was used here in order to understand the entrepreneurs' contacts, and the help received by these categories of contacts. In this regard, I made a distinction between business and core network (Mollenhorst *et al.*, 2008; Schutjens & Völker, 2010): business network refers to persons involved in the business, and the core network refers to the persons closest (in terms of feelings) to the respondents. I made this difference in order to understand the interplay between these two types of contacts for the business. In particular, in order to collect these two kinds of contacts I asked, 'Would you please give us the names of 30 people that you know and who know you, with whom you had any contact in the last two years (face-to-face, by phone, or via the Internet), and that you could still contact if you needed to?'<sup>17</sup>, asking for both core and business contacts (see Annex 2 in the Appendix). In particular, following the literature on the field (McCarty, 2002; McCarty *et al.*, 1997 and 2007), I asked for a fixed number of alters (30)<sup>18</sup>, both from the core and business networks. During the interviews respondents were asked to try to balance the names they gave (15 core contacts and 15 business contacts). Therefore, any variance from the number of 15 business contacts mentioned depends on the fact that 1) entrepreneurs have fewer or more than 15 business contacts all told, and 2) some contacts from the core network are also involved in the business. Then, for each alter named by the interviewee I collected information, such as: gender; age; place of birth; place of residence; relationship with ego; number of contacts for the business; type of support provided for the business. Furthermore, in order to assess network structure, I also investigated whether or not alters knew each other (see Annex 2 in the Appendix).

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<sup>16</sup> As can be seen in Annex 2, the interview guide also included a battery of items on transnational activities that were not linked to the business. The dissertation does not address this part.

<sup>17</sup> Lubbers *et al.* (2007) and Vacca (2013) used a similar name generator.

<sup>18</sup> Personal networks of less than 20 alters are more likely to produce a biased picture of the network. Results from the previous literature suggest that a number between 30 and 60 alters should be asked for (McCarty, 2002; McCarty *et al.*, 1997 and 2007).

### 3.4.1 Sampling strategy

The sample collected is not statistically representative of the entire population of Moroccan entrepreneurs in Milan and Amsterdam. Indeed, though the interview is composed of both qualitative and quantitative questions, the overall approach remains a qualitative one. In fact, I was interested in understanding the different mechanisms and processes that are a part of the experience of transnational entrepreneurship (compared to domestic entrepreneurship). Therefore, my focus was more on social representativeness, on the basis of the relevance of the cases for the research questions (Gold, 1997; Small, 2009; Ghauri & Grønhaug, 2010; Silverman, 2013).

In the sampling strategy, in order to achieve a more complete picture of the Moroccan entrepreneurial activities in each city, I used five entry points to select interviewees:

1. In Milan, one strategy was to select interviewees on the basis of the list provided by the Chamber of Commerce. All the businesses that seemed potentially transnational (e.g. import/export businesses) were contacted. However, approximately one-third were no longer active<sup>19</sup>, and others had no links abroad. As for domestic businesses, these were selected randomly starting from the list, by trying to vary the type of business (according to the statistics<sup>20</sup>) and the neighbourhood (so as not to have a high concentration of interviewees in any one district). Such a list was not available in Amsterdam, but another list (although incomplete and not sorted by nationality) was available from the Amsterdam Chamber of Commerce website, which helped me to find a certain number of interviewees<sup>21</sup>.
2. Another strategy (used both in Milan and Amsterdam) was to contact Moroccan associations with a relevant role in the Moroccan group (for example Moroccan business networks and Islamic cultural associations).
3. I tried to limit the use of snowball sampling as much as possible (although in a few cases I was introduced to one interviewee by another). A particular and more productive form of snowballing was to go in some ethnic shops and collect other entrepreneurs' business cards (left in the shops as advertisements).
4. A further approach was to contact entrepreneurs through social media (Facebook and LinkedIn). This was particularly productive and useful in Amsterdam.
5. Some businesses were selected for their visibility. Sometimes, when walking around the city areas with a great presence of Moroccan businesses, I noticed the presence of a particular business (e.g. an import/export one) and we simply asked the owner for an interview.

Considering entrepreneurs with a cross-border business, the fieldwork let me get a good picture of cross-border activities in both cities. On the basis of this and available statistics, I decided to focus

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<sup>19</sup> I found this out during my fieldwork, often finding another, unrelated company at the business address I had set out to visit.

<sup>20</sup> For example, in Milan the majority of businesses owned by Moroccan immigrants is in the mainstream market (Chamber of Commerce of Milan, 2014), so I interviewed more entrepreneurs in the mainstream market.

<sup>21</sup> I looked for businesses owned by Moroccan immigrants by using as key words the names of the main Moroccan cities (e.g. Casablanca, Rabat) and 'Marokko', 'Marokkaan', 'Marokkanen', and 'Marokkaanse'.

more on one or the other type of cross-border business. For example, since in Milan the large majority of cross-border businesses are import/export (or similar), the majority of the Milan interviewees in my sample are import/export entrepreneurs. Based on available statistics, my direct experience during the fieldwork and while talking with interviewees, I estimated there were about 30 cross-border businesses, and I interviewed 20 of the entrepreneurs. In Amsterdam there are businesses offering services (e.g. consultancies) and products (e.g. import/export), and for this reason I sampled both types of businesses. Since statistics are not available, I do not know the size of the population. As for the group of domestic business entrepreneurs in the sample, I selected interviewees by trying to diversify the type of domestic business and the neighbourhood where the business is located.

To sum up, I combined different elements in the sampling strategy in order to achieve the most socially representative sample possible. Following Silverman (2013), I started from the theoretical difference between TIEs and DIEs and tried to reproduce the characteristics of the whole population (e.g. level of education, type of businesses, etc.) in the sample.

### 3.4.2 The interviews

The interview questionnaire addresses six topic areas of enquiry:

- *Entrepreneurs' socio-demographic characteristics*: information about gender, year and place of birth, place of residence, family composition and background, year of arrival in the country, etc.
- *Entrepreneurs' educational and work background and skills*: information about educational background (degrees, training courses), past working experience (both as entrepreneurs and as employees), linguistic skills, etc.
- *Business*: entrepreneurial activities in general (e.g. type of business, concrete activities), entrepreneurial course (start-up, consolidation and growth, motivations, help received, location choice), connections abroad, etc.
- *Context characteristics*: detailed analysis of the perception of the characteristics of the different contexts in influencing the entrepreneurial course.
- *Transnationalism*: recurrence of transnational practices in both business and everyday life (for example frequency of trips to the home country, time spent in the home country in one year, communications with relatives abroad); sense of belonging and attachment to groups (e.g. natives) and places (e.g. city of birth)<sup>22</sup>.
- *Personal network*: composition, characteristics and structure of the entrepreneur's networks, information on the people composing the network (e.g. socio-demographic characteristics, kind of relationship with the entrepreneurs, if contacts know each other).

The interviews were conducted from September 2013 to February 2014 in Milan and from May 2014 to November 2014 in Amsterdam. Normally the interviews lasted from one hour and a half to three hours, and they were usually divided in two meetings with the entrepreneur. In the first meeting all the questions were usually asked apart from those regarding personal network, which were addressed in the second meeting.

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<sup>22</sup> Although they were part of the questionnaire, a sizeable part of these questions are not addressed in the dissertation.

The language of the interview was Italian in Milan, and Dutch or English in Amsterdam, and there were no cases of linguistic problems. The use of different languages does not seem to add any element of distortion in the research because I was not interested in the way they communicated their experiences, but only in their experiences themselves. The interviews were computer-assisted and the quantitative and the network data were directly inputted by the interviewers in the computer using the 'Egonet' program<sup>23</sup>.

In the fieldwork, I was assisted by five interviewers<sup>24</sup>. They conducted both interviews autonomously, or they supported me in some interviews, especially in Amsterdam. The interviewers were formed and tested extensively before they began the fieldwork so as to avoid any bias due to interviewing manner.

### 3.5 Sample composition and descriptive statistics

#### 3.5.1 Sample

The sample, which was selected as explained above (see Annex 1 for a more detailed presentation of the respondents), is composed of 70 Moroccan entrepreneurs who were born in Morocco and migrated to Italy - Milan and the area - and the Netherlands - Amsterdam and the area - (see Table 3.1). 30 entrepreneurs were interviewed in Amsterdam and 40 in Milan. 35 were entrepreneurs with a cross-border business (TIEs) and 35 were entrepreneurs with a domestic business (DIEs).

In distinguishing between TIEs and DIEs I combined the approach of Rusinovic (2008a) and Portes and colleagues (2002). In particular, following Rusinovic's remarks, I opted for a general approach without stressing the fact that TIEs have to travel abroad at least twice a year, as in Portes *et al.*, 2002. However, I used a key question asked by Portes *et al.* (2002), i.e. 'Is there a relevant part of your business related with your country of origin or with other countries outside Italy/Netherlands?'. The distinction between TIEs and DIEs was based on this very question. However, in order to avoid bias linked to self-reporting, the answer to this key question was discussed in depth with the interviewees so as to ensure the validity of the response<sup>25</sup>.

**Table 3.1** | Sample

City	TIEs	DIEs	Total
Amsterdam	15	15	30
Milan	20	20	40
<i>Total</i>	35	35	<b>70</b>

<sup>23</sup> The 'Egonet' program is an open-source program developed by Christopher McCarty (University of Florida). It is possible to freely download the program at <http://sourceforge.net/projects/egonet/>. This program is commonly used in the field of PNA (e.g. Lubbers *et al.*, 2007; Molina *et al.*, 2015).

<sup>24</sup> In Milan, the interviewers were Simone Caiello, Lorenzo Pedrini and Isabella Tagliabue. In total, they conducted 23 interviews. In Amsterdam, Brigitte Möller and Lotte Bloemendaal conducted 18 interviews. I wish to thank them for the support.

<sup>25</sup> During the interviews, other questions about the business were asked, such as 'Describe in detail the part of your business connected with/located in your country of origin/other countries' or 'Which country/countries did you choose for the internationalization of the business?' and these further clarified the classification as TIEs or DIEs of the respondents.



Therefore, the most important division in the sample is between entrepreneurs with relevant business links abroad (TIEs) and entrepreneurs with business link only within the country of destination (DIEs). More particularly, two main types of cross-border businesses are included in the sample: import/export businesses and consultancy agencies (for mediation and counselling). The former are more numerous in the Milanese sample, whereas the latter are more common in Amsterdam. In Milan businesses connected with physical goods prevail, while the service sector is more common in the Dutch sample (Table 3.2). This seems to follow the population trend. Indeed, even though reliable statistics on cross-border businesses do not exist, it emerges from the fieldwork that TIEs in Milan are more likely to be in import/export activities (goods-related sector), whereas TIEs in Amsterdam are more involved in consultancy agencies (service sector). This is consistent with the more industrial specialisation of Milan in comparison to Amsterdam (see Section 3.1).

**Table 3.2** | Type of TIEs

City	Import/Export business	Consultancy business	<i>Total</i>
Amsterdam	8	7	15
Milan	17	3	20
<i>Total</i>	25	10	35

Various entrepreneurial activities were classified as domestic (DIEs). Since these kinds of activities are quite common in Milan, and given that the initial investment required is low, a relevant part of Moroccan entrepreneurs in the Milanese sample are itinerant retailers<sup>26</sup>. There are also cafes, bakeries, greengroceries, cleaning companies. The Amsterdam sample also features a great variety of businesses: hairdressers, bakeries, supermarkets, cafes, etc.

Since during the sampling I controlled only for differences between TIEs and DIEs, some dissimilarities, which will be taken into account in the empirical chapters, emerge between TIE and DIE samples concerning business sector and market. Other differences appear between Amsterdam and Milan. Businesses in the sample are both in the goods-related sector (45 of 70) and in the service sector (25 of 70), with some differences between TIEs and DIEs as well as between Amsterdam and Milan (Table 3.3).

**Table 3.3** | Sector

	Good-related sector	Service sector	<i>Total</i>
TIEs	25	10	35
DIEs	20	15	30
Amsterdam	16	14	30
Milan	29	11	40
<i>Total</i>	45	25	70

<sup>26</sup> An itinerant retail is a shop that move every day, selling the products in various local market places. For example, one day is in a local market in a neighbourhood and the next day it is in another neighbourhood.

As for their target, the majority address a mainstream market (43 of 70), while a smaller part focuses on an ethnic market (27 of 70)<sup>27</sup>. This is in line with population characteristics. For example, most Moroccan businesses in Milan do not cater exclusively to a clientele of immigrants<sup>28</sup>. However, the sample of the two types of businesses (TIEs and DIEs) differ in markets addressed, whereas Amsterdam and Milan have a more similar composition (Table 3.4). Furthermore, in the sample market addressed and sector are correlated (Table 3.5)<sup>29</sup>.

**Table 3.4 | Market**

	Ethnic market	Mainstream market	Total
TIEs	18	17	35
DIEs	9	26	30
Amsterdam	12	18	30
Milan	15	25	40
<i>Total</i>	<i>27</i>	<i>43</i>	<i>70</i>

**Table 3.5 | Market and sector**

Sector	Ethnic market	Mainstream market	Total
Good-related sector	21	24	45
Service sector	6	19	25
<i>Total</i>	<i>27</i>	<i>43</i>	<i>70</i>

$\tau = -0.223$ ;  $p < 0.05$

All these dissimilarities and correlations in the sample will be taken into account in the interpretation of the results in the following chapters.

### 3.5.2 Descriptive statistics (Egos<sup>30</sup>)

In terms of personal characteristics (Table 3.6), the majority of the interviewees were men (N=54), in both Amsterdam and Milan<sup>31</sup>, and they were approximately 43 years old. On average, Amsterdam interviewees were slightly younger (42.5) than those in Milan (43.5); TIEs (39.5) were younger than DIEs (44).

The majority of interviewees had a mid- or high-level of education. This distribution is similar to the most recent data on immigrant entrepreneurs (OECD, 2010). If we consider TIEs and DIEs, the educational level is similar - the median for both groups is 'mid-level'.

However, there are some differences between the two cities (Table 3.6). The Amsterdam

<sup>27</sup> 'Ethnic market' refers to a market in which the products are mainly for a clientele of co-nationals and other immigrants. 'Mainstream market' makes reference to a market addressing all types of clientele (natives, co-nationals and other immigrants).

<sup>28</sup> Source: elaboration from data from the Milan Chamber of Commerce, 2014.

<sup>29</sup> See also the conclusions (Chapter 7).

<sup>30</sup> The term 'ego' in personal network analysis refers to the respondent, in this case a Moroccan entrepreneur.

<sup>31</sup> In Milan Moroccan female entrepreneurs make up 14% of all Moroccan entrepreneurs (source: Chamber of Commerce, 2012). No data was available for Amsterdam.

sample is generally better educated (median= “mid” and “high” level) than the Milan sample (median= “mid-level”). This is in line with data presented by the OECD (2010), according to which approximately 40.2% of immigrant entrepreneurs in Italy have a low (40.2%) or mid-level degree (39.5%), whereas a lower percentage (20.4%) have a high-level degree. Conversely, immigrant entrepreneurs in the Netherlands have higher levels of education (only 21% have a low-level degree, 37.2% have a mid-level degree, and 41.8% have a high level degree). Therefore, although not statistically representative, the sample mirrors the different trends typical of the two countries.

**Table 3.6 |** Personal characteristics

	Whole sample	Amsterdam	Milan	TIEs	DIEs
<b>Gender</b>					
Male	54	23	31	26	28
Female	16	7	9	9	7
<b>Age</b>					
Median	43	42.5	43.5	39	44
Mean	42.5	40.3	43.3	40.3	43.9
SD	10.5	10.4	10.5	10.5	10.4
<b>Education<sup>32</sup></b>					
Low	16	3	13	7	9
Medium	27	12	15	12	15
High	27	15	12	11	16
<i>Total</i>	<i>70</i>	<i>30</i>	<i>40</i>	<i>35</i>	<i>35</i>

The sample also differs in two other important characteristics: year and age of arrival in the country of immigration. Generally speaking, the majority of interviewees arrived before 2000 (70%), and in particular in the 1990s (37%)<sup>33</sup>, which means they arrived some 20 years ago. This is true both for TIEs and DIEs. However, a breakdown shows that interviewees in Amsterdam arrived four years earlier than those in Milan (22.5 years ago compared to 18.5 years ago).

<sup>32</sup> Low: points 1 and 2; Medium: points 3 and 4; High: point 5.

1. None (Less than primary education)

2. Primary education/ Junior secondary education (IT: Licenza elementare o media; NL: Basisonderwijs 4-12 year-old)

3. Professional diploma (e.g. tailor diploma) (IT: Qualifica professionale/NL: MBO)

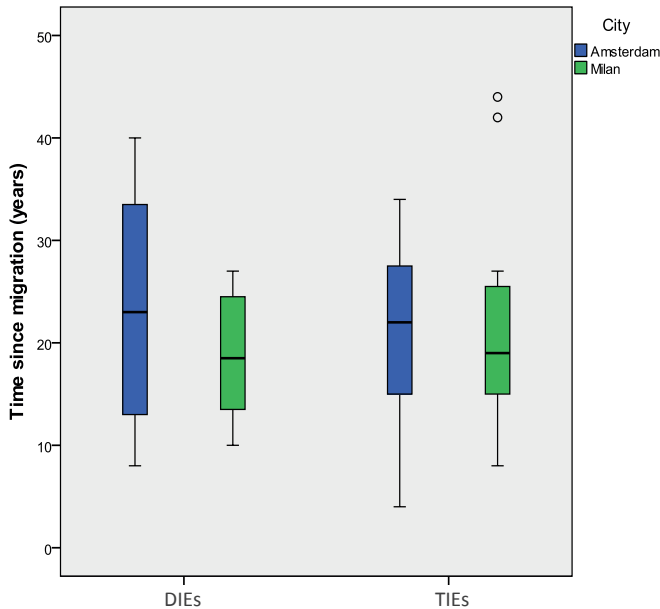
4. High school degree (IT: Diploma di scuola superior; NL: Voortgezet onderwijs 12-18)

5. University degree or more

<sup>33</sup> Mean=1993; Median=1994; SD=8.9.

**Table 3.7** | Time since migration (years)<sup>34</sup>

	N	Median	Mean	SD	Max.	Min.
Whole sample	70	20	20.7	8.6	44	4
City (p<0.01)						
Amsterdam	30	22.5	22.2	9.5	40	4
Milan	40	18.5	19.6	7.8	44	8
Type of immigrant entrepreneurs (no sig.)						
TIEs	35	20	20.8	8.9	44	4
DIEs	35	20	20.7	8.3	40	4

**Figure 3.1** | Time since migration (years)

Note. The figure reports the boxplot for each group (DIEs in Amsterdam, DIEs in Milan, TIEs in Amsterdam, TIEs in Milan). The horizontal element in the middle of the box represents the group median; the left and right borders of the box are the 25th and 75th percentiles respectively. The vertical segments from the borders of the box represent the rest of the distribution excepting “outliers”, which are represented by the spots.

Also worth noting is that people arriving in Amsterdam were younger than in Milan (on average, eight year younger). The general age of arrival was quite low overall, i.e. 21.5 years old, but in Amsterdam the entrepreneurs had arrived when they were 15.5 years old on average compared to 23.5 years old when arriving in Milan. This means that a majority of the Amsterdam interviewees had gone through high school (and, in some cases, university) in the

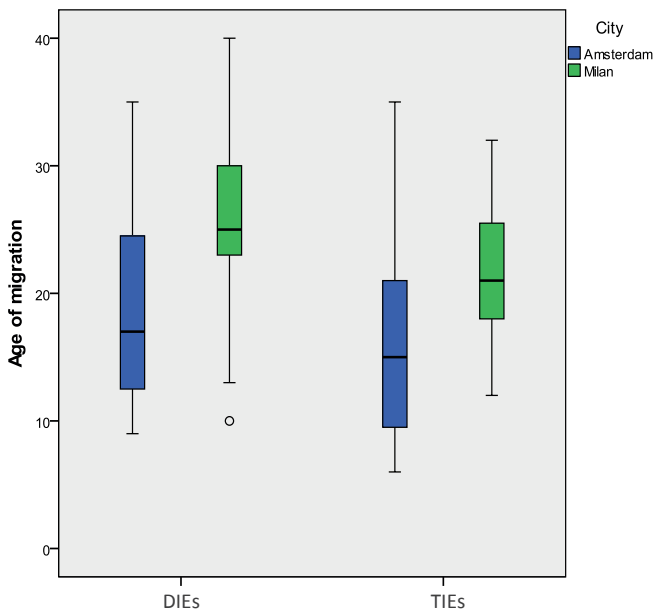
<sup>34</sup> A T-test was conducted to determine the significance of the difference between the means of the different groups. The same applies to Table 3.8.

Netherlands. Similarly, entrepreneurs who own a cross-border business arrived at a younger age on average than those whose business focus on a domestic market.

**Table 3.8 | Age of arrival in the new country**

	N	Median	Mean	SD	Max.	Min.
Whole sample	70	21.5	21.2	8.1	40	6
City (p<0.05)						
Amsterdam	30	15.5	17.6	8.6	35	6
Milano	40	23.5	23.9	6.7	40	10
Type of immigrant entrepreneurs (no sig.)						
TIEs	35	23	19.3	7.5	35	6
DIEs	35	20	23.1	8.1	40	9

**Figure 3.2 | Age of arrival**



Note. The figure reports the boxplot for each group (DIEs in Amsterdam, DIEs in Milan, TIEs in Amsterdam, TIEs in Milan). The horizontal element in the middle of the box represents the group median; the left and right borders of the box are the 25th and 75th percentiles respectively. The vertical segments from the borders of the box represent the rest of the distribution excepting “outliers”, which are represented by the spots.

From these data, it emerges that in Amsterdam the entrepreneurs interviewed arrived earlier and were younger compared to those in Milan. They arrived in large majority with their parents and they grew up in their country of destination. This may have affected their integration and their entrepreneurial course, which is why we might consider these Dutch interviewees as a “half-way” group, i.e. neither as immigrants in the full sense, nor as second-generation

immigrants. Rumbaut (2004)<sup>35</sup> called them the “1.5 generation” to indicate young people who immigrate to the new country as children or during their teens, or in other words people who were born in their country of origin but who grew up (at least in part) in their country of destination. This group’s aspirations, expectations and course can be partially different from those of first generation immigrants. In the political, cultural and economic fields they can also be seen as a bridge between the immigrant group and the rest of society (Park, 1999). As pointed out in the literature (Rusinovic, 2008a and 2008b), the difference in generation might affect entrepreneurial behaviours, including transnational entrepreneurial actions. For this reason, generation will be taken into consideration in our illustration of the empirical results.

Providing information about the business owned (Table 3.9), a large majority of entrepreneurs said they started the businesses more than 3 years before, and they do not often have business partners. Most of them have some employees, normally between 1 and 3.

**Table 3.9 |** Businesses’ characteristics

Characteristic	Whole sample	Amsterdam	Milan	TIEs	DIEs
Business age					
<= 3 years	27	13	14	14	13
> 3 years	43	17	26	21	22
Business partners					
No	42	15	27	16	25
Yes, one	16	7	9	12	4
Yes, more than one	12	8	4	6	6
Number of employees					
0	17	8	9	9	8
1-3	39	11	28	20	19
4-10	12	9	3	4	8
>10	2	2	0	2	0
<i>Total</i>	<i>70</i>	<i>30</i>	<i>40</i>	<i>35</i>	<i>35</i>

<sup>35</sup> Actually Rumbaut (2004) distinguished between 1.25 (foreign born, 13-17 at arrival), 1.5 (foreign born, 6-12 at arrival) and 1.75 (foreign born, 0-5 at arrival). According to his definitions, in the sample there is only one 1.75, ten 1.50 and seventeen 1.25. However, they have in common the fact of being born abroad and having arrived young in the country of destination.

### 3.5.3 Descriptive statistics (*Alters*<sup>36</sup>)

Through the name generator described above (Section 3.4), I collected 1988 alters (Table 3.10).

**Table 3.10** | Number of alters per type of entrepreneurs

Type of entrepreneur	N	%
TIE	990	49.8
DIE	998	50.1
<i>Total</i>	<i>1988</i>	<i>100</i>

Alters' characteristics (Table 3.11) show that the majority are male (71.8%), in the total sample, in each city, and in TIEs and DIEs. Furthermore, a large majority (76.2%) of the people mentioned by the entrepreneurs are adults, aged between 31 and 60. This percentage remains similar also when we sort the sample per city and type of immigrant entrepreneur. Finally, about one-third of the respondents' contacts are entrepreneurs. However, the contacts of TIEs are more likely to be entrepreneurs than those of DIEs.

**Table 3.11** | Alters' characteristics

Characteristic	Whole sample	Amsterdam	Milan	TIEs	DIEs
<b>Gender</b>					
Male	71.8	70.1	73	73.3	70.3
Female	28.2	29.9	27	26.7	29.7
<i>Total</i>	<i>1988</i>	<i>788</i>	<i>1200</i>	<i>990</i>	<i>998</i>
<b>Age</b>					
Young (18-30)	14.5	13.7	15	13	16.4
Adult (31-65)	76.2	79.1	74.3	80.5	74.2
Elder (>65)	7.8	7.2	8.2	6.5	9.4
<i>Total</i>	<i>1958</i>	<i>788</i>	<i>1200</i>	<i>990</i>	<i>998</i>
<b>Job position</b>					
Entrepreneurs	35.5	33.6	36.8	44	26.4
Non-entrepreneurs	49.6	52.6	47.5	42.7	57.5
Unemployed people	3.4	3.9	3.1	2.2	4.7
People out of job market (student, house-wife)	11.5	9.9	12.6	11.1	11.4
<i>Total</i>	<i>1856</i>	<i>750</i>	<i>1106</i>	<i>962</i>	<i>894</i>

Alters involved in the respondents' entrepreneurial activities make up 49.2% of total contacts mentioned (Table 3.12). However, this percentage is higher for TIEs than DIEs (in this regard see Chapter 5).

<sup>36</sup> The term 'alter' in personal network analysis refers to the contacts mentioned by the respondent.

**Table 3.12** | Business-related and non-business-related alters

Type of contact	Whole sample	Amsterdam	Milan	TIEs	DIEs
Business-related contacts	49.2	51	47.9	58.1	40.1
Non-business-related contacts	50.8	49	52.1	41.9	59.9
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>1958</i>	<i>788</i>	<i>1170</i>	<i>990</i>	<i>968</i>

Table 3.13 shows that, among the contacts related to the business, a relevant part are relatives, friends or acquaintances who are not directly involved in the business but who provide support to the entrepreneurs<sup>37</sup> (e.g. by providing some information, see Chapter 5). Another consistent part is composed by suppliers, who are particularly numerous among TIEs' contacts.

**Table 3.13** | Business-related alters: role

Role	Whole sample	Amsterdam	Milan	TIEs	DIEs
Business partners	1.7	2.5	1.1	2.1	1
Employees	11.6	15.7	8.7	10.6	13.1
Suppliers	26.4	26.1	26.6	33.7	15.5
Customers	11.6	8.7	13.7	15	6.7
Consultants (e.g. lawyer, accountant)	15.2	13.7	16.2	10.6	21.9
Others (e.g. relatives or friends supporting the business)	33.5	33.3	33.7	28	41.8
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>963</i>	<i>402</i>	<i>561</i>	<i>575</i>	<i>388</i>

### 3.6 Conclusions

The research, whose results are presented in this dissertation, addresses transnational entrepreneurial practices of Moroccan immigrants in Milan and Amsterdam. In particular, Moroccan entrepreneurs with a cross-border business (TIEs) and Moroccan entrepreneurs with a domestic business (DIEs) are compared in order to understand the differences between a transnationally-involved group (TIEs) and one that is not transnationally involved for their business.

Amsterdam and Milan differ in some conditions (e.g. immigration history; size and ratio of people with an immigrant background; productive and economic structure) which makes it fruitful to compare entrepreneurial behaviours. Similarly, Moroccan immigrants are particu-

<sup>37</sup> Of course, also these contacts (suppliers, employees, etc.) can provide support to the respondents as well (see Chapter 5).



lar interesting because they are present in both cities, and this allows us to avoid introducing a further element of variance. Moreover, the Moroccan group in Amsterdam differs from the one in Milan in some interesting characteristics such as size and length of settlement.

These differences make it particularly interesting to compare Moroccan entrepreneurs in Milan and Amsterdam, because they can lead to different results and allow us to understand how different contextual characteristics affect (transnational) entrepreneurial behaviours. For example, the differences regarding migrants, Moroccans in particular, both in absolute terms and percentage values, seem relevant for this research and could lead to different results regarding transnational entrepreneurial practices. Since there is a larger and longer-rooted Moroccan population in Amsterdam, businesses with transnational connections have stronger links to products from Morocco or to a target of co-nationals and/or other immigrants. Therefore, cross-border activities might be especially linked with Morocco. By contrast, it might be expected that in Milan transnational entrepreneurial activities could be linked less to an ethnic market and more to other sectors, for example the fashion industry (which is one of the main industrial sectors in Milan) and to the productive sector, which is particularly relevant in the Milanese area. Therefore, these businesses might be linked more to third countries, rather than to Morocco.

The research uses an overall qualitative approach combining mixed-method questions and measures (qualitative questions, quantitative measures and techniques from personal network analysis). 70 interviews were carried out with Moroccan entrepreneurs, both TIEs and DIEs. Starting from the next chapter, I will illustrate the results of the empirical research.



# CHAPTER 4

## Structural embeddedness, multifocality and opportunity structure

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

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This chapter addresses the topics of opportunity structure, multifocality and structural embeddedness that were introduced in Chapter 2. As already underlined in Chapter 2, opportunity structure refers to the set of opportunities arising from the contextual conditions.

Entrepreneurs can consider various opportunities originating from the characteristics of different places and groups and, therefore, be multi-focal. In fact, multifocality, defined as *simultaneous links with in multiple places and groups*, refers to the fact of taking multiple places and groups into account.

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

More in particular, the chapter has two main purposes.

The first objective is to highlight what spheres, groups and places contribute to creating the opportunity structure that Moroccan entrepreneurs take advantage of. Specifically, its aim is to answer the following question: *What spheres, places and groups contribute to creating opportunity structure for TIEs and DIEs?*

The second objective is to understand the role of multifocality and structural embedded-

ness for the purpose of identifying and exploiting business opportunities, and thus to answer the following question: *Do TIEs and DIEs differ in how structural embeddedness is relevant for the purpose of identifying and seizing business opportunities?* In this regard, since both multifocality and structural embeddedness are new concepts, this chapter is mainly exploratory.

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

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

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

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

### *4.1.1 General findings*

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

In particular, TIE businesses always seem to be related to some features of opportunity structure linked to context. For example, when I asked, 'why Milan?'<sup>1</sup>, M. (M02) answered, "*I could never have started my business in another city or country. Italy and Milan are the natural location for my business. Milan is very advanced in the fashion industry*". M. is a fashion designer and produces fashion clothes. She benefits from the fact that Milan is one of the most important *fashion capitals in the world* (Mingione *et al.*, 2007).

<sup>1</sup> Specifically I asked (see also Appendix), 'Why did you choose to start a business in Milan/Amsterdam? Were there any institutional features/opportunities that led you to start the business in this specific city? And if so, what were they?'

TIEs strongly exploit context opportunities and seize them for their business. For example, S. (A24), who owns an on-line website providing help and information to people who have contacts with Morocco, takes advantage of the presence of many second-generation Moroccans in the Netherlands (opportunity structure) and the opportunities that this presence entails.

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

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

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

By contrast, DIEs with a business serving an ethnic market take advantage of opportunity structure for their business, even though this is often linked to co-nationals, which means it is limited to a specific, ‘captive’, opportunity structure. For example, C. (M31) owns a shop selling Arab furniture. Since in Milan there are a relatively high number of people from North Africa and Arab countries, and these people request particular products, C. exploits the op-

portunity originating from this: *“My shop sells Arab furniture, in particular sofas and curtains. I buy both the raw materials and the final products here in Lombardy and I sell them...Both are in demand by my co-nationals”*. Similarly, H. (M30) owns a bakery offering products to Moroccan immigrants (e.g., typical bread, such as *raif*). He chose the location of his bakery based on the fact that *“in this area there are a lot of Moroccan people. They are interested in traditional Moroccan food, so for me it was a good place to set up shop”*.

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

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

#### 4.1.2 Spheres of opportunity structure

For both categories of entrepreneurs, the economic sphere and group modes of behaviour play a prominent role in creating the opportunity structure. By contrast, the institutional and political sphere does not seem to be very relevant for the business. In particular, based on the interviews, dissimilarities between TIEs and DIEs<sup>2</sup> emerge only with regard to the economic context.

##### **Economic context**

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

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

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<sup>2</sup> In this case, only the ones connected with opportunity structure (see previous section).

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

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

### **Modes of behaviour**

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

**Box 1** | Examples of TIEs benefiting from opportunities that arise from economic contexts and modes of behaviour

**N. (M14) - Import of herbs and foods**

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

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

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

**B. (A14) - Consultancy in the trucking sector**

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

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

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



### Political and institutional context

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

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

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

Only in one case did a TIE (M07) mention that he had had some problems with regulations linked to the international side of his business. He encountered difficulties when he wanted to import tea from China, because it did not meet Italian requirements. He finally resolved the situation by first importing the tea to France, where he has a branch of his business and where the rules are less strict, and then to Italy<sup>3</sup>.

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

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

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

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<sup>3</sup> This is an interesting case in which the European single market and the contemporary lack in uniformity of the trade legislation of products from abroad constitute an advantage for the entrepreneur.

(M02, first quote), a TIE in the fashion industry, and S. (M36, second quote), a DIE who is an electrician, provide two examples:

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

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

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

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

To summarise, the main differences between TIEs and DIEs have to do with economic context. Peculiar characteristics of the market (the products and services required) and production structure (the goods produced) are always the basis for developing a cross-border business (TIEs). By contrast, DIEs normally refer only to market structure and only exploit opportunities created by market conditions in regard to certain groups’ needs and modes of behaviour<sup>4</sup>. Finally, TIEs need a stable political situation in the countries where they have business contacts.

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<sup>4</sup> This is confirmed in both Amsterdam and Milan, and when businesses are sorted by sector and market addressed.

## 4.2 Places and groups: “glimpsing” across national borders? TIE characteristics compared to those of DIEs

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

This topic deserves more attention for two main reasons:

1. Although the role of co-nationals and other groups in terms of social contacts - a topic I will discuss in Chapter 5 - has previously been analysed in the past (see Light & Gold, 2000; Hoang & Antoncic, 2003; Zhou, 2004; Light & Bhachu, 2004), what has not often been considered is the role played by their structural features, namely how and what group features contribute to the opportunity structure (see Chapter 2).
2. Most of the literature on transnationalism only addresses host-home country links, without taking into account the possibility of relations with other countries (Levitt & Jaworsky, 2007; Miera, 2008; Chen & Tan, 2009), which is the model proposed in Chapter 2.

### 4.2.1 Places: countries and spatial scale

#### Countries

TIEs and DIEs strongly differ in *where* they seize opportunities. TIEs take advantage of opportunities located in different countries; while *by definition* (see Introduction and Chapter 3) DIEs refer only to those in their country of destination<sup>5</sup>. Besides the country of destination, TIEs are linked to both Morocco (their country of origin) and third countries (Figure 4.1). They *bridge* opportunities from different countries for their business (Table 4.1a/b). As Barth (1967) and Kirzner (1973) underlined, this bridging process is a key factor for entrepreneurial success. This is particularly true for TIEs. Starting from the opportunity structure in different places, they combine separate spheres and they put together previously unconnected conditions in order to create new opportunities (Granovetter, 2000).

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<sup>5</sup> This difference also remains valid if we analyse TIEs and DIEs separately in the goods and services sectors, in the mainstream and ethnic markets, in Amsterdam and Milan, and for first and 1.5 generations.

**Table 4.1a** | Countries TIEs have business links with (besides their country of destination)<sup>6</sup>

Links	N
Only with Morocco	10
With both Morocco and other countries	16
Only with other countries (excluding Morocco)	9
<i>Total</i>	<i>35</i> <sup>7</sup>

**Table 4.1b** | Most important 10 countries (for number of respondents who have contacts with them)

Country	N
Morocco	25
Turkey	8
Belgium	7
Egypt	7
France	7
Saudi Arabia	6
United Arab Emirates	6
Spain	5
Algeria	4
China	4

In contrast to what is stated in the previous literature (Portes *et al.*, 2002; Levitt & Jaworsky, 2007), TIEs are not only connected with their country of origin (Morocco) but also with one or many other countries (Table 4.1a/b). TIEs are involved in business activities with both Morocco and other countries. Therefore, they take advantage of opportunities in many countries.

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

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

<sup>6</sup> The list of countries where interviewees have contacts was compiled by asking the following question, 'Which countries do you have links with for the business?'

<sup>7</sup> I did not include DIEs since they have business connections only with their country of destination.

**Figure 4.1** | Countries where TIEs have business links (besides the country of destination)<sup>8</sup>



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

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

<sup>8</sup> Since DfEs do not have business connections with other countries I did not include them in the figure.

the market and customer side. On the one hand TIEs export products (e.g. Italian machinery, Italian clothes, Dutch flowers, etc.) because these are in demand abroad. In this case the contacts are mainly with customers, usually other businesses such as shops. On the other hand, TIEs import products (Moroccan foods, Arab clothes, etc.) usually meant for a clientele of co-nationals. In this case the links abroad are mainly with suppliers. As for consultancy businesses, they have contacts abroad with: 1) other companies which require certain products or services; 2) institutions that play a key role in the countries where TIEs have links (e.g. the Chamber of Commerce).

**Box 2 | Examples of TIE links abroad**

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

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

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

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

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

**C. (A25) - Export of solar simulation technology**

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

**F. (M20) - Minimarket and butcher shop**

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

### Spatial scales

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

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

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

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

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

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

<sup>10</sup> The tendency of TIEs to consider contextual conditions on different spatial scales, and that of DIEs’ to focus mainly on the opportunity structure on a local scale, is also confirmed if entrepreneurs are sorted by sector, city, generation, and type of business.

**Box 3 |** Examples of combination of different spatial scales by TIEs**A. (A11) - Consultancy for companies**

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

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

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

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

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

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

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

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

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

As for DIEs, they seize opportunities mainly on a local scale. They usually take advantage of the presence of co-nationals or other immigrants in the city or in a certain area, or the market characteristics of a given area, such as the lack of businesses providing a certain service or offering certain products. For example, M. (A27), who owns a restaurant, pointed out that his business is concentrated on a local scale: “*We mainly focus of the clientele in the area. [...] I take advantage of the fact that there are many Moroccans living in Amsterdam and in the neighbour-*



hood". Another example is M. (A15) who has a bakery. He stressed the fact that he started his business in a certain neighbourhood "*because there are many Moroccans here and I wanted to offer them bread that is typical of my country*".

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

The characteristics of groups, together with those of places, represent an opportunity for both TIEs and DIEs to take advantage of. In this regard, TIEs and DIEs do not differ very much. Both TIEs and DIEs mainly refer to opportunities connected to features of their co-nationals and, to a lesser extent, those of other immigrants<sup>11</sup>. By contrast, the characteristics of natives generally do not contribute in creating the structure of opportunity that Moroccan entrepreneurs use.

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

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

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

#### 4.2.3 Multifocality

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

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

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<sup>11</sup> No differences between TIEs and DIEs emerge with regard to groups, even if we distinguish between Milan and Amsterdam, service-related and goods-related businesses, and between first and 1.5 generations.

focus on only one group in one place. Therefore, the main difference concerns places, or spatial scales. In this regard, TIEs are multi-focal while DIEs are mono-focal.

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

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

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

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

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

*“My company provides flower ornaments and decorations for luxury hotels and restaurants. I decorate one hotel and a number of restaurants here in Amsterdam; some of my other clients are in Casablanca (hotels) and Antwerp (restaurants). In Belgium the luxury business is more developed than in the Netherlands. I also provide flowers to some hotels in Dubai. The flowers are from the Netherlands of course, and the decorations (like the glasses for the flowers) are made*

*in Italy and Spain. Another product I import is Argan Oil from Morocco, which I sell in the Netherlands and Dubai. You see the triple connection: the Netherlands, Morocco and Dubai: Morocco for the Argan Oil, the Netherlands for the flowers, and Dubai because people there love luxury and excellent products. This triad is the key to my business and my success. Belgium is also important to me, but these three places are fundamental.” (A26)*

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

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

By contrast, DIEs take into account only opportunity structure and place characteristics in their country of destination. In other words, they are mono-focal. In most cases the main focus is the country of destination on a strictly local scale, so they are also mono-scalar. For example, S. (A02) has three bakeries in Amsterdam and he focuses on the clientele in the neighbourhood where each business is located: *“This shop and the others are all located on the busiest streets of their particular neighbourhood”* (A02). Another example is the relevant number of DIEs with an itinerant shop<sup>12</sup> in Milan. During the week they go to different local markets in order to sell their products. In this case as well, the entrepreneurs focus on a local scale. Therefore, with regard to places, DIEs in comparison with TIEs are not only mono-focal but they are also mono-scalar, since their focus is on a strictly local level.

In summary, there are two main results that emerge from this sub-section<sup>13</sup>:

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

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

<sup>13</sup> These are also confirmed if the sample is sorted by sector, generation, and city.

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

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

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

*"This business is mainly for Moroccans. They are my main customers. They are the people who are interested in these products. When I started I thought of my compatriots, because I decided to offer Moroccan clothes. But there are many people from other North-African and Arab countries who also come to my shop."*  
(A18)

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

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

To conclude, no differences emerge between TIEs and DIEs with regard to groups, since they both focus mainly only on their co-nationals and are therefore mono-focal.

### 4.3 The role of structural embeddedness in seizing business opportunities: differences between TIEs and DIEs

In the previous sections, I have highlighted the fact that TIEs refer to opportunities located in different places (on different spatial scales). In contrast, DIEs refer mainly to the local opportunity structure of the city or the neighbourhood where they live within their country of destination<sup>14</sup>. Consequently, TIEs seize opportunities in different contexts while DIEs mainly stick to a single context, that of destination.

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

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

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

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

<sup>14</sup> The differences between TIEs and DIEs are also confirmed when the sample is sorted by market, sector, generation, and city.

*"We lived here, so I knew that there were many Arab women who needed these dresses. I knew this because I am one of them. I also met many mothers when I took my children to school, and we talked about this problem. So when I started my business I knew very well that there was a demand for such clothes." (M11)*

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

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

For DIEs in the mainstream market, the fact of being structurally embedded in places or groups does not play a relevant role in identifying and seizing business opportunities. In most cases, the knowledge of the environment where they carry out their business does not matter. For example, W. (A29) owns a nursing company and provides assistance to various hospitals. She decided to do this because, *"I studied to become a nurse but I like to be independent and to work in various environments. I really like Amsterdam and I really like living here, but I could also move elsewhere. I can do my job anywhere in the Netherlands... There are hospitals everywhere"*. In W.'s case, understanding the particular conditions of the place where she lives and the groups she has contacts with is not particularly useful or relevant.

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

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

### **Structural embeddedness in places**

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

*"Amsterdam and the Netherlands, I know the city and the country very well. Then I chose Morocco of course, because I don't know that much about other countries in the world. I was born and raised in Morocco, my family still lives there and I*

*go there on my holidays. When you do business abroad you can choose randomly, but that is like taking a leap into the unknown. I don't know. You could wake up one day, decide to go to Cameroon and help some tribe with a water well... But for me, I feel more connected to Morocco, and better connected too. Because I know the country and so I can see the different possibilities.” (A09)*

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

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

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

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

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

In contrast, links with other countries are not often related to structural embeddedness in places, but they are due to other processes (related to personal skills, past working experience, brokerage of personal or working contacts, see Chapters 5 and 6). For example, relations with Arab countries are strictly linked to the fact that Moroccan entrepreneurs can speak Arabic (see Chapter 6).

Furthermore, the structural embeddedness of TIEs in places is situated on both a national and a local spatial scale (i.e. a city and a neighbourhood level).

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

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

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

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

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

### **Structural embeddedness in groups**

In terms of structural embeddedness in groups, both TIEs and DIEs usually take advantage of their embeddedness in the co-nationals group. Since they are embedded in these groups, they are in a position to recognise their co-nationals’ needs and exploit these needs for their business. A paradigmatic example is that of the courier R. (M12). He transports all kinds of



goods to and from an area of Milan and his city of origin in Morocco. He decided to do this because he recognised an opportunity thanks to his embeddedness in the co-nationals groups: *"I know that many people need to send and receive all kinds of stuff to and from Morocco, I know that very well, since I am a Moroccan immigrant too"*.

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

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

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

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

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

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

### **Structural embeddedness and multifocality**

If we connect the concepts of structural embeddedness and multifocality, it emerges that multifocal TIEs exploit structural embeddedness less than those who focus on only two countries (i.e. only one country other than that of destination). In fact, in the sample, TIEs with a

“bifocal business” are more likely to take advantage of their structural embeddedness in places and groups for their business. This is due to the fact that they usually seize opportunities in Morocco, which is their fundamental link abroad. They base the entire business on their embeddedness in the country of origin: *“I chose my country because in another country it would be impossible for me to know which products are suitable for the market”* (M01).

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

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

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

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

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

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

Milan). These different features might cause dissimilarity in terms of opportunity structure, multifocality and structural embeddedness.

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

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

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

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

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

This is due to the type of business that is carried out. In order to satisfy clients who need information about a certain country, entrepreneurs need to have a broader view of the countries about which they provide advice. Import/export businesses, on the other hand, focus on particular places and they keep focusing on those.

A third issue analysed is the different use of structural embeddedness in places and groups to identify and seize business opportunities. In this regard, two different contrasting profiles clearly emerge<sup>15</sup>.

The first is connected to first-generation entrepreneurs with an import/export business (usually in the ethnic market). These TIEs are more likely to use their structural embeddedness to identify and seize business opportunities, as in the above-mentioned examples of M11 (retailer of Arab dresses) and M12 (courier between Milan and his city of origin in Morocco).

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

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

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

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

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<sup>15</sup> These two profiles do not encompass the whole sample, but they represent two contrasting extreme cases.

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

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

## 4.5 Conclusions

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

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

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

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

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

The chapter also stresses the differences between different types of TIEs, underlining that when it comes to structural embeddedness the most important difference is between TIEs in

the mainstream market and TIEs in the ethnic market. In this regard, two different, extreme profiles stem from the analysis. The first is characterised by the use of opportunities created by structural embeddedness in the co-nationals group and in Morocco (typically, entrepreneurs in the ethnic market), while the second is less connected to the entrepreneur's origin and more to integration in the global arena (typically entrepreneurs in the mainstream market).

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

## Summary

### *Findings*

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

### *Conclusion*

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

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# CHAPTER 5

## Relational embeddedness: network composition and structure, and support provided

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Do TIEs and DIEs differ in their business network composition and structure?  
Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?

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Chapter 4 addressed opportunity structure, with a particular focus on the places and groups involved, and the role of structural embeddedness in identifying and seizing business opportunities. This chapter addresses the role of the entrepreneurs' contacts, i.e. their social network, for the business. As stressed in the literature on immigrant entrepreneurs (Portes & Sensenbrenner, 1993; Zhou, 2004; Altinay & Altinay, 2008; Chen & Tan, 2009), contacts can provide resources and support facilitating entrepreneurs when it comes to identifying and seizing available business opportunities.

Entrepreneurs can use their embeddedness in social networks, i.e. their *relational embeddedness*, to identify and seize business opportunities. Relational embeddedness refers to ego's contacts, as well as the relations with and between these. Entrepreneurs can identify and seize opportunities simply by being in contact with people and, in some cases, by receiving support from them. Thus, embeddedness in networks provides entrepreneurs with the resources and contacts they need to identify and seize business opportunities.

Embeddedness in different kinds of networks can have different effects on entrepreneurial activity (Portes & Sensenbrenner, 1993; Nannestad *et al.*, 2008; Anthias & Cederberg, 2009; Patel & Conklin, 2009; Kanas *et al.*, 2011). Therefore, the first aim of this chapter is to analyse the structure and composition of entrepreneurial business networks by comparing TIEs and DIEs: *Do TIEs and DIEs differ in their business network composition and structure?*

Network composition refers to the kind of contacts that entrepreneurs have, and their relationship with these contacts, while network structure concerns links between contacts. I analyse both the business network as a whole and the part of it providing support (the sup-

port network)<sup>1</sup>. The first includes all the contacts entrepreneurs have relations with for the business<sup>2</sup>. People who are part of the business network may or may not provide support for the business<sup>3</sup>, so business contacts providing support make up the support network, which is also part of the business network.

A second purpose is to understand whether TIEs and DIEs differ in how they take advantage of their embeddedness in these networks to recognise and seize business opportunities: *Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?* In particular, I address this question by illustrating both how composition and structure influence entrepreneurs in seizing opportunities, and what is the support provided by different kind of contacts (e.g. co-nationals, relatives, etc.).

In order to answer my research questions, I use both qualitative and quantitative data (see Chapter 3). Quantitative data provides a description of the composition and the structure of the entrepreneurs' networks, whereas I use the qualitative analyses to gain better understanding of the role played by these networks.

The chapter reads as follow. The first section illustrates differences between TIE and DIE networks in terms of composition and structure (5.1). Section 5.2 focuses on the support provided by the people in the network, and Section 5.3 analyses the dissimilarities among TIEs, by addressing network composition and structure, as well as support provided. Finally, Section 5.4 concludes the chapter.

## 5.1 Business and support networks: do TIEs differ from DIEs?

The central question is whether there are differences in business network composition and structure between TIEs and DIEs. The previous literature on TIEs has stressed that networks are the 'driving force' of cross-border businesses (Portes *et al.*, 2002; Patel & Conklin, 2009; Terjesen & Elam, 2009), but without underlining the differences between this particular category of immigrant entrepreneurs (TIEs) and others (DIEs).

In order to investigate this difference further, I compared the data that emerged for the two kinds of immigrant entrepreneurs. In the sample, TIEs and DIEs differed in terms of their sector and the markets they addressed, which is why more businesses in the mainstream market fall into the DIE category (see Chapter 3). Given that the differences between cross-border and domestic businesses can vary according to the city where the business is located (Milan or Amsterdam) or the generation of the interviewees (first or 1.5-generation immigrants),

<sup>1</sup> In analysing the support network, I also present the non-support (business) network as a control group.

<sup>2</sup> Interviewees were asked the following question, so as to illicit mention of their business contacts, 'Could you tell me the name of people you have contacts with for the business?' Furthermore, in order to understand whether the people in the core network were also involved in the business, I asked, 'Do you have contacts (meetings, phone calls etc.) for business purposes?' See also Chapter 3 and Appendix (Annex 2).

<sup>3</sup> The following question served to find out whether a business contact provided support for the business: 'Does he/she provide support for the business?' If the answer was 'yes', the contact was included in the support network. If not, he/she was included in the non-support network.

these variables are also considered in the presentation of the results<sup>4</sup>.

Regarding network composition, three main elements are illustrated: the ego-alter relationship, tie-strength, and the groups that *alters* belong to (as a combination of their countries of origin and of residence). To consider network structure, I analyse the size and the density of the business network.

### 5.1.1 Network composition: TIEs have more diversified networks than do DIEs

#### Relationship and tie strength

If we consider business networks and ego relationship with alters, both TIEs and DIEs have a majority of exclusively work-related contacts<sup>5</sup> (see Table 5.1a). However, TIEs and DIEs slightly differ ( $V=0.195^{**}$ ), since the TIE group has more contacts exclusively linked to the business (72%) than do DIEs (58.3%). In contrast, DIE contacts are more often friends and acquaintances (Table 5.1a). Finally, relatives are important for both categories of entrepreneurs. This is consistent with the literature (e.g. Bonvalet, 2003), which shows that family relations remain important and very much ‘present’ even when the relatives live far away.

**Table 5.1a** | Business network: Alters’ relationship with Ego (in %) - differences between TIEs and DIEs<sup>6</sup>

Relationship	TIEs	DIEs
Relatives	12.8	11.3
Friends	9.6	14.9
Acquaintances	5.6	15.5
Work-related contacts	72	58.3
<i>Total (%)</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>575</i>	<i>388</i>
Association	V=0.195**	

\*  $p < 0.05$  \*\* $p < 0.01$

However, the presence in the sample of more DIE businesses in the mainstream market compared to TIEs (see Chapter 3) led to an underestimation of these differences (Table 5.1b). In fact, there are no dissimilarities regarding ego-alter relationships between TIE and DIE mainstream businesses. In contrast, when it comes to the contacts of the entrepreneurs involved in ethnic markets, TIEs and DIEs strongly differ ( $V=0.326^{**}$ ). The contacts of TIEs who own an ethnic business are often exclusively work-related contacts and relatives, whereas DIEs who

<sup>4</sup> In order to make the results clearer, the findings emerging from these dissimilarities (market, sector, city and generation) are discussed in the text only when they entail a variation compared to the results of the whole sample.

<sup>5</sup> ‘Exclusively work-related contacts’ are people who have contacts with the entrepreneur exclusively for the business. Acquaintances are people who have had contact with the entrepreneurs, primarily for reasons other than for the business, but who at some point happened to have some kind of business connection to the entrepreneurs (e.g. providing support), and so they were included in the business network.

<sup>6</sup> As suggested by many manuals on statistical data analysis (see Marradi 2002; Di Franco, 2005; Field, 2013), in this chapter I use the following association measures: Kramer’s  $V$  ( $V$ ) for categorical variables; Kendall’s Tau-b ( $\tau$ ) for binary variables. Both measures vary from zero to one.

own an ethnic business are involved in a business network of friends, relatives and acquaintances (who, together, represent the majority of their contacts). The same happens when comparing TIEs and DIEs in the same sector. The tendency of TIEs to concentrate on exclusively work-related contacts emerges only in the goods-related sector. However, since on the one hand association values are much more similar than that concerning different markets, and on the other hand market and sector are correlated in the sample (see Chapter 3), we can hypothesise that the results regarding sector are influenced by differences between the markets addressed.

Besides this, the importance of relatives, which is very similar for TIEs and DIEs in the whole sample, differs only if we consider first-generation immigrants, while 1.5 generations do not seem to diverge in their relationship with business contacts. In particular, for first-generation respondents, relatives make up most of the TIE business networks, while DIE contacts are more likely to be friends. This is particularly relevant because relatives seem very important for TIEs (see Section 5.2). Finally, in Milan the TIE group relies more on relatives than does the DIE group, while the opposite is true in Amsterdam. This seems connected not to any urban peculiarities, but rather to the higher presence of first-generation immigrants in Milan, which influences the overall results for that city.

**Table 5.1b** | Business network: Alters' relationship with Ego (in %) - differences between TIEs and DIEs

Relation- ship	Amster- dam		Milan		1 genera- tion		1.5 gene- ration		Ethnic market		Main- stream market		Good- related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Relatives	7.5	12.1	16.4	10.7	14.5	9.6	11.7	16.1	17.8	14.9	8.2	9.8	14.4	20	9.5	5.6
Friends	9.2	14.9	9.8	15	9.9	15.9	9	12.7	6.2	19.8	12.7	12.7	8.1	9	12.8	18.9
Acquain- tances	10.5	14.4	2.3	16.4	1.7	15.2	10.4	15.3	1.8	20.7	9.3	13.1	2	11.6	13.4	18
Work- related	72.8	58.6	71.5	57.9	73.9	59.3	68.9	55.9	74.2	44.6	69.8	64.4	75.5	59.4	64.3	57.5
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>228</i>	<i>174</i>	<i>347</i>	<i>214</i>	<i>353</i>	<i>270</i>	<i>222</i>	<i>118</i>	<i>275</i>	<i>121</i>	<i>291</i>	<i>267</i>	<i>396</i>	<i>155</i>	<i>179</i>	<i>233</i>
Associa- tion	V=0.134**	V=0.177**	V=0.281**	V=0.129	V=0.326**	V=0.057	V=0.226**	V=0.126								

\* p<0.05 \*\*p<0.01

As for support networks<sup>7</sup>, in contrast with what emerges regarding business networks, TIEs and DIEs do not significantly differ in the kind of relationship they have with people who

<sup>7</sup> When I illustrate the results of the support network, I also illustrate the non-support network in order to make a comparison. However, since the main aim is to understand any dissimilarities between TIEs and DIEs in the support network, I focus on it only when I discuss results by sector, market, city and generation.

provide them with support (Table 5.2a). First, support contacts for both groups are almost exclusively work-related. The differences in relationship with these contacts are mainly in the non-support network. In this regard, TIE contacts are much more exclusively work-related.

**Table 5.2a** | Support and non-support network: Alters' relationship with Ego (in %) - differences between TIEs and DIEs

Relationship	Support network		Non-support network	
	TIEs	DIEs	TIEs	DIEs
Relatives	22	19.2	3.8	2.7
Friends	17.1	17.7	2.1	11.9
Acquaintances	8	15.3	3.1	15.7
Work-related contacts	53	47.8	91	69.7
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>287</i>	<i>203</i>	<i>288</i>	<i>185</i>
Association	V=0.118		V=0.315**	

\* p<0.05 \*\*p<0.01

However, if we distinguish for type of business and generation of the respondents, findings change with regard to two main points (Table 5.2b).

Firstly, as in business networks, in the support network the differences between TIEs and DIEs regarding ego-alter relationships are more marked within the category of ethnic businesses. More relatives and exclusively work-related contacts support TIEs, while contacts supporting DIEs are more likely to be friends and acquaintances. Moreover, ethnic and mainstream businesses show completely opposite patterns. In ethnic markets, TIEs more often receive support from exclusively work-related contacts and relatives, whereas TIEs in the mainstream market rely more on friends and acquaintances, and less on work-related contacts and relatives compared to DIEs in the same market. This happens because TIEs usually have contacts with Morocco and still have some relatives there, so they take advantage of these contacts for their business (see below and Section 5.2.2).

Secondly, different patterns emerge between first and 1.5 generations. First-generation TIEs seems to rely more on relatives and less on friends and acquaintances than do DIEs. This seems linked to what is underlined in the literature on the topic (Wong, 2004; Bagwell, 2008; Mustafa & Chen, 2010; Urbano *et al.*, 2011), namely that TIEs need people that they really trust for support when it comes to the foreign side of the business (see below and Section 5.1.2). DIEs also share this necessity for people they can trust, but these trustful contacts play a less fundamental role, since they do not contribute to managing the business, and therefore mainly friends are used.

In contrast, 1.5-generation TIEs rely less on relatives and more on friends compared to DIEs. This result is influenced by the different use of entrepreneurial family background by TIEs and DIEs (see Chapter 6), which is important for many 1.5 generations (14/25 respondents). DIEs

are more inclined to follow the entrepreneurial family path, since they are more likely to remain exactly in the same sector as their family business, and in many cases to continue that business. In contrast, TIEs with an entrepreneurial background usually go beyond their parents' business by internationalising and expanding, or by starting a business in a similar (but not identical) sector. For example, S. (A02), a DIE who has a number of bakeries in Amsterdam, just continued his father business, deciding, together with his brothers, to open two more bakeries later on. M. (M05) and H. (M06) each have an import/export business selling fruits and vegetables. In both cases, their father owned a grocery store. However, rather than carrying on their fathers' business, they started a new business, with an international 'side'.

**Table 5.2b** | Support network: Alters' relationship with Ego (in %) - differences between TIEs and DIEs

Relationship	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Relatives	13	17.6	27.9	20.8	26.4	14.2	15	39	34.1	18.3	12.5	19.8	24.9	31.4	16.3	10.3
Friends	17.5	21.6	16.9	13.9	16.7	20.4	17.7	7.3	9.5	23.2	23.7	14	14.3	11.6	22.4	22.2
Acquaintances	16.5	21.6	2.3	8.9	1.7	16.7	17.7	9.8	1.6	26.8	13.8	7.5	2.1	10.5	19.4	18.8
Work-related	53	39.2	52.9	56.4	55.2	48.7	49.6	43.9	54.8	31.7	50	58.7	58.7	46.5	41.9	48.7
Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Total (N)	115	102	172	101	174	162	113	41	126	82	152	121	189	86	98	117
Association	V=0.139		V=0.167*		V=0.291**		V=0.275**		V=0.459**		V=0.181*		V=0.205 <sup>a</sup>		V=0.098	

p<0.05 \*\*p<0.01

<sup>a</sup> p<0.08

Considering the strength of the ties between entrepreneurs and their contacts (Granovetter, 1973), I have included the following alters in the strong-tie category<sup>8</sup>: 1) close relatives<sup>9</sup> 2)

<sup>8</sup> Following Marsden and Campbell (1984), who found that relationship is not one of the best predictors of tie-strength, I have also asked about closeness (in terms of friendship). I decided not to consider frequency of contacts because this measure tends to overestimate the strength of ties with job contacts and neighbours, and not to include the duration of tie because it tends to overstate kin relationships (Marsden & Campbell, 1984).

<sup>9</sup> Parents, children, siblings and grandparents are considered close relatives. The closeness here refers to kinship and not to friendship. During the interviews, in order to avoid mistakes, interviewers asked the respondents to specify the kinship (e.g. parent, cousin) and they decided if the relative was 'close' or 'other'. Following Mustafa and Chen (2010), relatives from extended family (i.e., other relatives) are not automatically considered strong ties. This is also supported by the data. In the sample, only 45.3% of other relatives were considered close or very close (in terms of friendship) by the interviewees. In contrast, 88.9% of close relatives (in term of kinship) were considered close or very close (in terms of friendship).

friends<sup>10</sup> 3) people interviewees declared to be close or very close with<sup>11</sup>. Tables 5.3a-b illustrate that there are no differences between TIEs and DIEs, since the contacts for both groups are mainly weak ties. The only significant difference applies to Amsterdam, where the contacts of TIEs are less likely to be strong ties than those of DIEs. This follows the general trend showed in the literature, namely that family is less central in Northern Europe than it is in Southern Europe (Jurado Guerrero & Naldini, 1996; Reher, 1998; Billari & Dalla Zuanna, 2008). Therefore, Moroccans in Amsterdam seem to adopt Dutch habits whereas those in Milan appear to maintain a strong attachment to their family, since relatives are very important in the Italian context.

**Table 5.3a-b** | Business network: Strength of ego-alter ties relationship (in %) - differences between TIEs and DIEs

Tie-strength	TIEs	DIEs
Weak ties	65.2	64.4
Strong ties	34.8	35.6
<i>Total (%)</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>575</i>	<i>388</i>
Association	$\tau = 0.008$	

\* p<0.05 \*\*p<0.01

Relation-ship	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Weak ties	72.4	58	60.4	69.6	62	64.8	70.3	63.3	64.4	58.7	66.3	67	63.1	60.6	69.8	67
Strong ties	27.6	42	39.5	30.4	38	35.2	29.7	36.4	35.6	41.3	33.7	33	36.9	39.4	30.2	33
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N.)</i>	<i>228</i>	<i>174</i>	<i>347</i>	<i>214</i>	<i>353</i>	<i>270</i>	<i>222</i>	<i>118</i>	<i>275</i>	<i>121</i>	<i>291</i>	<i>267</i>	<i>396</i>	<i>155</i>	<i>179</i>	<i>233</i>
Association	$\tau = 0.150^{**}$		$\tau = -0.092^{*}$		$\tau = -0.029$		$\tau = 0.068$		$\tau = 0.054$		$\tau = -0.008$		$\tau = 0.023$		$\tau = 0.031$	

\* p<0.05 \*\*p<0.01

For support contacts - support networks - (Table 5.4a), as in the case of business networks, TIEs and DIEs do not differ in the strength of their ties. The only (slight) difference concerns non-support networks, in which the contacts of TIEs are ties that are less strong than those of DIEs. This means that, apart from the contacts that provide support, TIEs are less likely than DIEs to have business links with people who are close to them.

<sup>10</sup> Apart from relatives, I asked about the main relationship, distinguishing between friends and acquaintances. Alters considered as friends by interviewees were included in the strong-tie category. This is supported by the data: interviewees feel close or very close to 92.6% of the people in the friend category.

<sup>11</sup> To estimate closeness (in terms of friendship), I used an already tested scale utilised in past studies on immigrants' personal networks (Lubbers *et al.*, 2007; Vacca, 2013). The scale goes from '1- Not at all close' to '5 - very close'. Alters with a score of 4 or 5 were considered strong ties.

**Table 5.4a** | Support and non-support network: Strength of ties in ego-alter relationships (in %) - differences between TIEs and DIEs

Relationship	Support network		Non-support network	
	TIEs	DIEs	TIEs	DIEs
Weak ties	47.7	55.7	82.6	74.1
Strong ties	52.3	44.3	17.4	25.9
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (ab. val.)</i>	<i>287</i>	<i>203</i>	<i>288</i>	<i>185</i>
Association	$\tau = -0.078$ ( $p < 0.08$ )		$\tau = 0.103^*$	

\*  $p < 0.05$  \*\*  $p < 0.01$

However, the presence of both first-generation and 1.5-generation immigrants rather confuses the result. If we consider only first generations, the support network of TIEs is more often made up of strong ties than that of DIEs. During the interviews, it became clear why TIEs rely more on strong ties. As they have to manage the part of the business that is located furthest from the entrepreneur's place of residence, they need the support of people they trust, since they are unable to check up daily on how the foreign part is doing. For example, A. (M10), who exports hydraulic and construction products, states:

*"I have a business partner in Morocco who manages all the activity of selling the products I send him. He also manages the shop there. I met him a long time ago so I trust him... You know, it is important, since I am here, and not always in Morocco, to oversee the situation". (M10)*

This is valid for first generations, but not for 1.5 generations because, since they have spent a large part of their life in the country of destination<sup>12</sup>, they have fewer contacts they trust abroad. Similarly, the significant differences regarding the strength of the ties in Milan and in Amsterdam seem mainly connected to the larger presence of first-generation immigrants in the former, and of 1.5-generation immigrants in the latter.

<sup>12</sup> On average, 1.5-generation respondents arrived when they were 12 years old and they are now 32 years old. Therefore, they have spent most of their life (20 years out of 32) in their country of destination.



**Table 5.4b** | Support network: Strength of ties in ego-alter relationships (in %) - differences between TIEs and DIEs

Relation-ship	Amster- dam		Milan		1 genera- tion		1.5 gene- ration		Ethnic market		Main- stream market		Good- related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Weak ties	55.7	51	42.4	60.4	40.8	56.8	58.4	51.2	43.7	54.9	50.7	56.2	46	54.7	56.4	51
Strong ties	44.3	49	57.6	39.6	59.2	43.2	41.6	48.8	56.3	45.1	49.3	43.8	54	45.3	43.6	49
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>115</i>	<i>102</i>	<i>172</i>	<i>101</i>	<i>174</i>	<i>162</i>	<i>113</i>	<i>41</i>	<i>126</i>	<i>82</i>	<i>152</i>	<i>121</i>	<i>189</i>	<i>86</i>	<i>98</i>	<i>117</i>
Association	$\tau = 0.047$		$\tau = -0.173^{**}$		$\tau = -0.160^{**}$		$\tau = 0.064$		$\tau = -0.110$		$\tau = -0.055$		$\tau = -0.080$		$\tau = -0.054$	

\* p<0.05 \*\*p<0.01

### Groups

Entrepreneur contacts can also be distinguished in terms of their country of origin<sup>13</sup> and their country of residence. By combining these two pieces of information (as was already done by Lubbers *et al.*, 2010; Vacca, 2013; Molina *et al.*, 2015), the following groups of contacts can be identified (Table 5.5a):

- *Natives*: people who were born in the interviewee’s country of destination (Italy or the Netherlands)
- *Moroccan immigrants*: Moroccans who live in the interviewee’s country of destination (Italy or the Netherlands)
- *Moroccan origins*: Moroccans living in Morocco
- *Other immigrants*: other people who immigrated to the interviewees’ country of destination
- *Diasporas*: Moroccans living in third countries (neither in Morocco nor in the interviewee’s country of destination)
- *Internationals*: people of any nationality (other than Moroccan) living in a third country (neither Morocco<sup>14</sup> nor the interviewee’s country of destination).

In this regard, TIEs have more diversified networks than DIEs ( $V=0.440^{**}$ ), both in terms of country of residence (alters’ location) and country of origin. TIEs have more business contacts from other countries (neither from Morocco nor Italy or the Netherlands), i.e. with *Other immigrants* and *Internationals*. Specifically, TIEs have contacts both in their country of destination (58.6%) and abroad (41.4%). Apart from Moroccan immigrants and natives of the country of destination, *Internationals* and *Moroccan origins* are more closely linked with TIEs. In contrast, DIE contacts are almost exclusively made up of people living in the country of destination (97.1%). Among these, the biggest group is the native one.

<sup>13</sup> Since in the Netherlands there are many second-generation Moroccans, and since they maintain some characteristics and behaviours of their parents and groups (see, for example, Crul & Doornik, 2003; Rusinovic, 2008a; Berry & Sabatier, 2010), I decided to consider them as Moroccans, and not as natives, in their country of destination. This also follows the criteria applied to determine ‘ethnicity’ in the Dutch statistics. A person is an ‘allochtoon’ (the Dutch word referring to people whose origins are from another country) if he/she was not born in the country or if at least one parent was born abroad (in Morocco in this case).

<sup>14</sup> Interviewees did not mention people living in Morocco, but of non-Moroccan origin.

**Table 5.5a** | Business network: Number of alters in each groups - TIEs and DIEs

Group	TIEs	DIEs	Total
Natives	27.1	47.9	342
Mor. Imm.	25.2	34	277
Mor. Origins	14.3	1.3	87
Other imm.	6.3	15.2	95
Mor. Diasporas	4.2	0.3	25
Internationals	23	1.3	137
<i>Total (%)</i>	<i>100</i>	<i>100</i>	-
<i>Total (N)</i>	<i>575</i>	<i>388</i>	<b>963</b>
Association	V=0.440**		-

\* p<0.05 \*\*p<0.01

These tendencies are confirmed even when we disaggregate the data by city, generation, sector, and market, although with one interesting dissimilarity (Table 5.5b). The difference between TIEs and DIEs in the number of contacts who are Moroccan immigrants is higher for businesses in the ethnic market than for those in the mainstream market. It can be hypothesised that, since businesses in the mainstream market are less linked to co-nationals, DIEs are less likely to be associated to co-nationals, since overall they appear to be more connected to co-national immigrants than TIEs.

**Table 5.5b** | Business network: Number of alters in each group - TIEs and DIEs

Group	Amsterdam		Milan		1 generation		1.5 generation		Ethnic business		Main-stream business		Goods-related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Natives	28.5	40.8	26.2	53.7	25.2	51.4	30.1	39.8	17.5	33.9	34.3	54.3	26	49	29.6	47.2
Mor. Imm.	19.7	42	28.8	27.6	26.1	31.1	23.9	40.7	33.4	53.7	18.2	25.1	26.3	40.8	22.9	29.6
Origins	18	1.1	11.8	1.4	13.9	0.4	14.9	3.4	16.4	2.5	12.4	0.7	13.6	1.9	15.6	0.8
Other imm.	3.5	14.9	8.1	15.4	7.6	16.3	4.1	12.7	6.5	9.1	6.2	18	5.1	5.8	8.9	21.5
Diasporas	2.2	0.6	5.5	0	4	0.4	4.5	0	7.3	0	1.4	0.4	4.5	0.6	3.4	0
Internationals	28.1	0.6	19.6	1.9	23.2	0.4	22.5	3.4	18.9	0.8	27.5	1.5	24.5	1.9	19.6	0.9
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>228</i>	<i>174</i>	<i>347</i>	<i>214</i>	<i>353</i>	<i>270</i>	<i>222</i>	<i>118</i>	<i>275</i>	<i>121</i>	<i>291</i>	<i>267</i>	<i>396</i>	<i>155</i>	<i>179</i>	<i>233</i>
Association	V=0.524**		V=0.414**		V=0.480**		V=0.384**		V=0.396**		V=0.471**		V=0.373**		V=0.486**	

\* p<0.05 \*\*p<0.01

The greater geographic dispersion of TIE contacts is linked to the definition of the two types of entrepreneurs (see Chapter 3). Entrepreneurs were classified as TIEs if they had relevant business contacts outside their country of destination, whereas DIEs were entrepreneurs who focused only on their country of destination's domestic market. Therefore, this difference was expected. However, having relevant business relations abroad<sup>15</sup> does not automatically entail having a high number of business contacts abroad. In fact, even a single link (e.g. a supplier) might lead to having key business relations outside the country of destination. Therefore, this result highlights that TIEs do not only have fundamental contacts abroad (in terms of importance, as asked during the interviews), but also that these contacts are relevant in numerical terms (i.e., the number of business contacts abroad).

Furthermore, a more spatially concentrated business network - as in the case of DIEs - does not necessarily entail a geographically concentrated support network. Since the respondents are immigrants, it might be expected that both TIEs and DIEs have a transnational support network (i.e. contacts living outside the country of destination who provide support), but this was not confirmed (see Table 5.6a). In contrast, the dissimilarities that emerged regarding business network are also confirmed for both the support network ( $V=0.456^{**}$ ) and the non-support network ( $V=0.474^{**}$ ). In other words, DIEs do not have a transnational support network. More in particular, TIEs receive support from people located both in the country of destination and outside of it (Morocco and third countries). They also rely on people who are not from Morocco or their country of destination (in terms of place of origin). In contrast, DIEs receive support almost exclusively from people in their country of destination, mainly from natives or Moroccans.

**Table 5.6a** | Support and non-support network: Groups (in %) - differences between TIEs and DIEs

Group	Support network		Non-support network	
	TIEs	DIEs	TIEs	DIEs
Natives	32.4	43.3	21.9	53
Moroccan Immigrants	20.9	42.4	29.5	24.9
Moroccan Origins	16.4	1	12.2	1.6
Other imm.	4.9	11.8	7.6	18.9
Diasporas	5.2	0	3.1	0.5
Internationals	20.2	1.5	25.7	1.1
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>287</i>	<i>203</i>	<i>288</i>	<i>185</i>
Association	V=0.456**		V=0.474**	

\*  $p < 0.05$  \*\*  $p < 0.01$

<sup>15</sup> Following Portes *et al.* (2002), the interviewees were asked to answer the following question, 'Is there a relevant part of your business related with your country of origin or with other countries outside Italy or the Netherlands?'

These tendencies are also confirmed when the sample is sorted by city, generation and type of business (Table 5.6b). Only for 1.5 generations is the share of natives larger in TIE networks than in DIE networks. It is possible that, since 1.5 generations grew up or at least attended high school in their country of destination, 1.5-generation TIEs would have more native contacts than DIEs would.

**Table 5.6b** | Support network: Groups (in %) - differences between TIEs and DIEs

Group	Amsterdam		Milan		1 generation		1.5 generation		Ethnic business		Main-stream business		Goods-related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Natives	38.3	35.2	28.5	51.5	30.5	48.2	35.4	24.3	15.1	28	43.4	53.7	25.9	37.2	44.9	47.9
Mor. Imm.	20.9	52	20.9	32.6	21.8	38.9	19.5	56.1	25.4	62.3	18.4	28.9	21.2	54.7	20.4	33.3
Origins	11.3	0	19.8	2	18.4	0	13.3	4.9	23	1.2	11.2	0.8	19.6	2.3	10.2	0
Other imm.	3.5	11.8	5.8	11.9	5.2	12.3	4.4	9.8	4	7.3	5.9	14.9	4.2	3.5	17.9	17.9
Diasporas	4.3	0	5.8	0	4.6	0	6.2	0	9.5	0	2	0	4.8	0	6.1	0
Internationals	21.7	1	19.2	2	19.5	0.6	21.2	4.9	23	1.2	19.1	1.7	24.3	2.3	12.2	0.9
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>115</i>	<i>102</i>	<i>172</i>	<i>101</i>	<i>174</i>	<i>162</i>	<i>113</i>	<i>41</i>	<i>126</i>	<i>82</i>	<i>152</i>	<i>121</i>	<i>189</i>	<i>86</i>	<i>98</i>	<i>117</i>
Association	V=0.505**		V=0.434**		V=0.506**		V=0.408**		V=0.549**		V=0.390**		V=0.453**		V=0.430**	

\* p<0.05 \*\*p<0.01

One might object that the difference in network composition concerning groups is linked to the different types of business, since TIEs focus on a more international arena and DIEs on a more domestic market. This, however, is not supported by the data. Indeed, entrepreneurs had met most of these contacts before they started their business<sup>16</sup>. TIEs already knew 40.3% of their business contacts before starting their business, whereas for DIEs the ratio was 44.1%.

Most importantly, the different group composition is also confirmed if we consider only alters that were known before the business start-up<sup>17</sup> (V=0.413\*\*, see Table 5.7)<sup>18</sup>. The contacts of TIEs were more diverse and geographically dispersed before the business start-up as well. In contrast, DIEs were already more integrated in a local network, and this may have affected their degree of transnationalism and mobility, as already underlined in the literature (Vandenbrande, 2006; Recchi & Favell, 2009). Therefore, it is possible to conclude that entrepreneurs' contacts shape their decision to embark on a cross-border business or to focus on a strictly domestic market. Even though the difference in terms of the groups alters belong to has slightly increased with the business, the results displayed in Table 5.7 clearly underline the fact that there was a relevant dissimilarity between TIEs and DIEs even before the business start-up.

<sup>16</sup> It is interesting that the majority of TIEs (28/35) directly started a cross-border business. Only a minority (7/35) had a non-transnational business in the country of destination before starting their current business.

<sup>17</sup> For each alter, the following question was asked, 'Did you know this person before the start-up of your current business?'

<sup>18</sup> The core network of TIEs is also more varied than that of DIEs (V=174\*\*). Data on the core network is not included in the text, but is available upon request.

**Table 5.7 |** Business network - groups (in %): Contacts acquired before and after the business-start-up - Differences between TIEs and DIEs

Group	Met BEFORE business start-up		Met AFTER business start-up		Total	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Natives	23.2	39.2	29.7	54.8	27.1	47.9
Mor. immigrants	37.1	48.5	17.2	22.6	25.2	34
Origins	19	2.3	11.1	0.5	14.3	1.3
Other immigrants	3	9.4	8.5	19.8	6.3	15.2
Diasporas	6.5	0.6	2.6	0	4.2	0.3
Internationals	11.2	0	30.9	2.3	23	1.3
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>232</i>	<i>171</i>	<i>343</i>	<i>217</i>	<i>575</i>	<i>388</i>
Association	V=0.413**		V=0.460**		V=0.440**	

\* p<0.05 \*\*p<0.01

During the interviews, respondents clearly referred to the use of pre-business contacts for the business, as these three examples show:

*“Many people I met before the business support me, both Italians and other immigrants. Most are friends but also acquaintances. They simply advise people who need my services to come here. Moreover, I rely on a number of Moroccan acquaintances for the part linked to Morocco. Most of these are friends from school or university. Now they have important jobs in the public or private sector.” (M40)*

*“I chose Morocco and Jordan because I had reliable connections over there. I lived there for a long time, so I built up a huge network over there; it was easy, because I lived there.” (A04)*

*“Some are friends or people I met before my company and my ideas and they supported me as investors. Not professional investors, however. Some of my investors are from the Netherlands and Belgium and others are from Dubai. When I started, I had many contacts and I exploited them. The people I knew have hotels, restaurants, etc., and they know other people and they introduced me or they had direct contacts. And then I expanded the contacts and the clients.” (A26)*

Concerning this, it is interesting to analyse how respondents had met their contacts (meeting reason), and to distinguish between pre- and post-business start-up contacts. The most relevant meeting reason between interviewees and their pre-business contacts was for

work purposes - e.g. they met the person while working in a previous job - (Table 5.8). Afterwards, they kept contact and 'made use' of them for the business. This is linked to the fact that entrepreneurs often choose to stay in the same field where they have past work experience. This is especially true for DIES, as underlined by the high number of their contacts met for business reasons. Besides this, many of the contacts were already part of the network either as relatives or because respondents had met them for other reasons (in their spare time, at school, etc.). Therefore, entrepreneurs (both TIEs and DIES) take advantage of multiple sources to create a network for their business. If we consider post-start-up contacts, we see that Moroccan entrepreneurs met most of them for business reasons (TIEs: 98.8%; DIES: 93.1%).

**Table 5.8** | Business network: ego-alter meeting reason: TIEs and DIES

Meeting reason	Met BEFORE		Met AFTER		Total	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Because he/she is a relative	28	24.6	0.3	0	11.5	10.8
For work purposes	44.4	59	0	0	17.9	26
For business purposes	0	0	98.8	93.1	59	52.1
Other reasons	27.6	16.4	0.9	6.9	11.6	11.1
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>232</i>	<i>171</i>	<i>343</i>	<i>217</i>	<i>575</i>	<i>388</i>
Association	V=0.159*		V=0.171**		V=0.098*	

Note. Other reasons: in their spare time, at school or because they live in the same neighbourhood.

\* p<0.05 \*\*p<0.01

To summarise, TIEs and DIES exploited the resources they could access through people they already knew before the business start-up. Then, they further expanded their contacts in a way that was in line with their business, i.e. in a local way for DIES and in a more international way for TIEs.

#### Location of alters: spatial scales

In previous paragraphs, the data underlined a major concentration of DIE contacts in the country of destination; Table 5.9a further illustrates this finding. Moreover, compared to TIEs, DIE contacts in the business network are more likely to be located in the same region ( $\tau = 0.111^*$ ) and city ( $\tau = 0.435^{**}$ ) where the entrepreneur runs the business. A similar result emerged from the comparative research of Portes and colleagues (2002), which underlined that DIE is a form of "economic path engaged in by immigrants whose ties do not reach beyond the local community" (p. 289). This is also consistent with past studies on entrepreneurship in general, which underlined that entrepreneurs generally tend to have business relations within the region where the business is located (e.g. Schutjens & Stam, 2003). Therefore, DIES follow this trend, while TIEs have a broader scope.

**Table 5.9a** | Business network: spatial scales (in %) - differences between TIEs and DIEs<sup>19</sup>

Spatial scales	TIEs	DIEs
Same region in Mor. <sup>a</sup>	44	55.8
	$\tau = 0.111^*$	
Same country of residence (IT/NL)	58.6	97.4
	$\tau = 0.435^{**}$	
Same region in IT/NL <sup>b</sup>	77.1	85
	$\tau = 0.102^{**}$	
Same city in IT/NL <sup>b</sup>	61.5	75.9
	$\tau = 0.155^{**}$	
Same neighbour. in city of imm. <sup>c</sup>	30.8	38.9
	$\tau = 0.084^*$	

\*  $p < 0.05$  \*\*  $p < 0.01$

<sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;

<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination<sup>20</sup>;

<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

However, if we distinguish between businesses in different sectors and markets (Table 5.9b), the mainly local concentration of DIEs is confirmed with regard to businesses in the mainstream market and goods-related sectors. In contrast, this is not the case for the ethnic market and the service sector.

As for the ethnic market, both TIEs and DIEs need business contacts with suppliers offering ethnic products. Such suppliers are not very common, and sometimes they are located outside the city and region where the business is located. Therefore, both categories have suppliers of Moroccan products outside the city (and the region). The only difference is that TIEs in the ethnic market have a majority of these abroad (64/117, 54.7%), while the suppliers of DIEs in the ethnic business are always located in the country of destination (19/19, 100%). However, for DIEs an important part of ethnic business contacts are located in the neighbourhood where they live or work; in this regard, they significantly differ from TIEs.

Similarly, the service sector entails contacts with people or businesses that provide them with the services offered by the entrepreneurs. These service providers can also be located far away from the entrepreneurs. For example, M. (M28), who owns a phone centre, has contacts with providers for phone calls and money transfer services who are located in Rome and not in Milan.

<sup>19</sup> For reasons of space and readability a short version of the table, which reports only the share of people in the same place as the respondents (e.g. same city) is presented here. For a complete version of the table, see Annex 3 in Appendix (Table 1).

<sup>20</sup> I decided to take as a reference only contacts living in the country of destination so as not to distort the comparison between TIEs and DIEs, since DIEs have many more business contacts located in the country of destination. The same reasoning applies for point c (...out of total number of contacts living in the city of destination) and for Tables 9b and 10a/b.

**Table 5.9b** | Business network: spatial scales (in %) - differences between TIEs and DIEs<sup>21</sup>

Spatial scales	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-rel. sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Same region in Mor.? <sup>a</sup>	31.1	50	48.8	38.1	52.9	56.3	29.5	55.1	46.2	50	40	60.9	46.9	67.8	37.7	45.7
	$\tau=0.191^*$		$\tau=0.096$		$\tau=0.032$		$\tau=0.250^{**}$		$\tau=0.035$		$\tau=0.206^{**}$		$\tau=0.182^{**}$		$\tau=0.082$	
Same country (IT/NL)?	51.8	98.3	63.1	96.7	58.9	98.9	58.1	94.1	57.5	97.5	58.8	97.4	57.3	96.1	61.5	98.3
	$\tau=0.512^{**}$		$\tau=0.382^{**}$		$\tau=0.465^{**}$		$\tau=0.376^{**}$		$\tau=0.400^{**}$		$\tau=0.460^{**}$		$\tau=0.375^{**}$		$\tau=0.478^{**}$	
Same region in IT/NL? <sup>b</sup>	63.9	70.8	84.2	96.7	79	85.5	73.8	81.6	78	76.5	75.7	88.9	77.3	87.4	83.5	76.6
	$\tau=0.073$		$\tau=0.211^{**}$		$\tau=0.099^*$		$\tau=0.092$		$\tau=-0.018$		$\tau=0.175^{**}$		$\tau=0.127^{**}$		$\tau=0.083$	
Same city in IT/NL? <sup>b</sup>	58.8	67.8	62.9	82.4	64.3	76.8	56.9	73.7	62.3	70.6	60.7	78.2	57.2	77.5	70.3	74.8
	$\tau=0.092$		$\tau=0.218^{**}$		$\tau=0.137^{**}$		$\tau=0.175^{**}$		$\tau=0.087$		$\tau=0.190^{**}$		$\tau=0.208^{**}$		$\tau=0.048$	
Same neigh. AM/MI? <sup>c</sup>	33.8	44.8	29.3	35	28.7	30.2	34.7	59.1	34	47.6	29.2	35.4	30.5	35	31.3	41.6
	$\tau=0.109$		$\tau=0.061$		$\tau=0.017$		$\tau=0.244^{**}$		$\tau=0.138^*$		$\tau=0.062$		$\tau=0.048$		$\tau=0.099$	

\*  $p < 0.05$  \*\*  $p < 0.01$

<sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;

<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination;

<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

Furthermore, regional and urban differences are particularly relevant in Milan (in both business and support networks), but they are not significant in Amsterdam. This seems linked to the economic characteristics of the two cities. In Milan, DIEs seem more involved in the urban and regional economic fabric, which is particularly strong in Lombardy (see Chapter 3). In contrast, in Amsterdam, since the country is smaller and Northern-Holland does not have a comparable economic fabric to that of Lombardy, the business connections of DIEs also extend all around the country. Therefore, in some cases contextual or sector/market features 'cancel out' the more specifically spatial location of DIE contacts in comparison to TIEs.

Furthermore, if we look at support network, DIEs also seem more likely than TIEs to receive support from the more geographically proximal contacts, and, in particular, from people living in the same city (Table 5.10a). The same also happens in the non-support networks.

<sup>21</sup> For a complete version of the table, see Annex 3 in Appendix (Table 2).



**Table 5.10a** | Support network and non-support network: spatial scales (in %) - differences between TIEs and DIES<sup>22</sup>

Spatial scales	Support network		Non-support network	
	TIEs	DIEs	TIEs	DIEs
Same region in Mor? <sup>a</sup>	61.6	65.8	26.8	40
	$\tau=0.043$		$\tau=0.129$	
Same country (IT/NL)?	58.2	97.5	59	97.3
	$\tau=0.444^{**}$		$\tau=0.426^{**}$	
Same region in IT/NL? <sup>b</sup>	76.2	83.5	77.9	86.7
	$\tau=-0.091$		$\tau=0.116^*$	
Same city in IT/NL? <sup>b</sup>	61.9	77.7	61	74.6
	$\tau=-0.164^{**}$		$\tau=0.145^{**}$	
Same neigh. in AM/MI? <sup>c</sup>	40.4	29.5	21.5	49.6
	$\tau=-0.113$ ( $p<0.08$ )		$\tau=0.289^{**}$	

\*  $p<0.05$  \*\* $p<0.01$ <sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination;<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

As in the case of business networks (presumably for the same reasons), in the support network the greater spatial concentration of DIE contacts compared to TIEs is valid both for mainstream markets and goods-related sectors (Table 5.10b).

<sup>22</sup> For a complete version of the table, see Annex 3 in Appendix (Table 3).

**Table 5.10b** | Support network: spatial scales (in %) - differences between TIEs and DIEs

Spatial scales	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-rel. sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Same region in Mor. <sup>a</sup>	52.4	56.8	66.3	77.1	71.6	64.3	43.2	69.6	63.5	55.6	58	79.4	60.9	68.3	63.2	63.2
	$\tau=0.045$		$\tau=0.108$		$\tau=-0.078$		$\tau=0.251^*$		$\tau=-0.079$		$\tau=0.223^*$		$\tau=-0.071$		$\tau=-0.00$	
Same country (IT/NL)?	62.6	99	55.2	96	57.5	99.4	59.3	90.2	44.4	97.5	67.8	97.5	51.3	95.3	71.4	99.1
	$\tau=0.451^{**}$		$\tau=0.432^{**}$		$\tau=0.502^{**}$		$\tau=0.292^{**}$		$\tau=0.544^{**}$		$\tau=0.376^{**}$		$\tau=0.428^{**}$		$\tau=0.403^{**}$	
Same region in IT/NL? <sup>b</sup>	59.7	72.3	88.5	94.9	79.2	83.2	71.6	84.6	82.1	76.5	72.1	88.2	78.6	91.7	72.9	77.6
	$\tau=0.132$		$\tau=0.117$		$\tau=0.051$		$\tau=0.147$		$\tau=-0.067$		$\tau=-0.204^{**}$		$\tau=-0.181^{**}$		$\tau=-0.053$	
Same city in IT/NL? <sup>b</sup>	56.9	69.3	65.6	84.8	63.4	76.4	59.7	79.5	62.5	70.4	61.5	81.5	57.1	84.5	68.6	71.6
	$\tau=-0.127$		$\tau=0.223^{**}$		$\tau=0.140^*$		$\tau=0.203^*$		$\tau=0.082$		$\tau=0.222^{**}$		$\tau=0.297^{**}$		$\tau=0.032$	
Same neigh. in AM/MI? <sup>c</sup>	51.2	30	33.3	29.1	32.8	23.6	52.5	51.5	45.7	40.6	40.6	23.2	37.5	37	43.8	22.9
	$\tau=-0.211^*$		$\tau=-0.046$		$\tau=0.099$		$\tau=-0.010$		$\tau=-0.053$		$\tau=-0.185^*$		$\tau=-0.005$		$\tau=-0.218^*$	

\*  $p < 0.05$  \*\* $p < 0.01$

<sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;

<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination;

<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

Finally, considering the contacts' origin (Tables 5.9 and 5.10), in both business and support networks, co-nationals in DIE network are more likely to be from the same Moroccan region as the respondents. This is because both in the Netherlands and in Italy, Moroccans tend to come from the same areas (De Hass, 2007). Therefore, once they are in their country of destination, they have more contacts with co-nationals from the same part of Morocco. Consequently, since almost all of DIE business contacts are located in the country of destination, they have a majority of contacts from the same region. In contrast, TIEs also develop exclusively work-related contacts in Morocco (e.g. suppliers) and these are not always from their region of origin.

### 5.1.2 Network structure: TIEs have bigger and less dense networks than do DIEs

The network of TIEs and DIEs differ significantly in density and size. TIEs have larger and less dense business networks than do DIEs.

First, TIEs and DIEs diverge in network density<sup>23</sup> in terms of inter-node contacts: DIE networks are denser than those of TIEs (see Table 5.11). The difference in spatial concentration between TIEs and DIEs, i.e. the fact that DIE business contacts are more concentrated in the entrepreneurs' city of destination, strongly influences network density. The literature

<sup>23</sup> Density (D) refers to the ratio between number of ties present in the network and possible number of ties overall. Its value can vary between 0 and 1 (Wasserman & Faust, 1994).

(Liben-Nowell, 2005; Carrasco *et al.*, 2008; Backstrom *et al.*, 2010; Boschma & Frenken, 2010; Onnella *et al.*, 2011) suggests that space is a constraint for network formation. In other words, people who are closer in spatial terms are more likely to know each other and to be connected within the entrepreneur’s network. Consequently, if two alters in an ego network are geographically close, they are more likely to be linked to one another, and this contributes to creating denser networks. Thus, since alters of DIEs are more spatially concentrated than are those of TIEs, it follows that DIEs also have denser networks than TIEs.

**Table 5.11** | Business network: size and density - differences between TIEs and DIEs<sup>24</sup>

	Size		Density	
	TIEs	DIEs	TIEs	DIEs
Median	19	12	0.22	0.5
Mean	17.4	11.8	0.281	0.502
SD	6	6.6	0.238	0.292
<i>Total (N)</i>	33	33	31	33
T-value <sup>25</sup>	-3.629**		3.580**	
Eta <sup>2</sup>	0.171		0.173	

\*p<0.05 \*\*p<0.01

Second, TIEs generally have larger business networks than do DIEs (see Table 5.11)<sup>26</sup>. Therefore, TIEs have a larger network in which they are embedded for the business. This is consistent with the literature underlining that larger networks are sparser and less connected (Hogan *et al.*, 2007). This pattern also emerged about native entrepreneurs in Italy (Chiesi, 2005; Mutti & Rostan, 2005): more traditional and less profitable forms of entrepreneurship (as DIEs can be considered<sup>27</sup>) are characterised by smaller and denser networks.

As illustrated by the graphs in Figures 5.1 and 5.2, DIEs use more local contacts, who tend to know each other. In contrast, TIEs have a more sparse business network made up of a dense core of strong ties and co-nationals, and a periphery of weak, exclusively work-related, geographically dispersed and largely uncorrelated nodes. Figure 5.1 shows typical TIE networks, with a more dispersed business network and many contacts linked only with the en-

<sup>24</sup> No information on the difference between TIEs and DIEs emerged when sorting the sample by sector, market, city and generation, due to the small number of cases.

<sup>25</sup> In order to verify the significance of the difference in network size and density between TIEs and DIEs, I used the independent t-test (t), since I compared the means for two independent groups (see for example Field, 2013).

<sup>26</sup> As explained in Chapter 3, I asked for a set number of alters (30), both from the core and the business networks. Therefore, the number of business contacts is not fixed. However, during the interviews respondents were asked to try to balance the names they gave (15 core contacts and 15 business contacts). Therefore, any variation from the number of 15 business contacts named can be due to 1) entrepreneurs having either less or more than 15 business contacts, and 2) some contacts from the core network also being a part of the business network.

<sup>27</sup> TIE businesses seem more profitable than DIE businesses ( $\tau = 0.246^*$ ). Moreover, a stronger capacity for resilience and resistance to the economic crisis emerges from the interviews with TIEs. This confirms the recent findings of Wang and Liu (2015). In their analysis of immigrant-owned firms in the US, they found that businesses with transnational activities were more profitable than non-transnational ones.

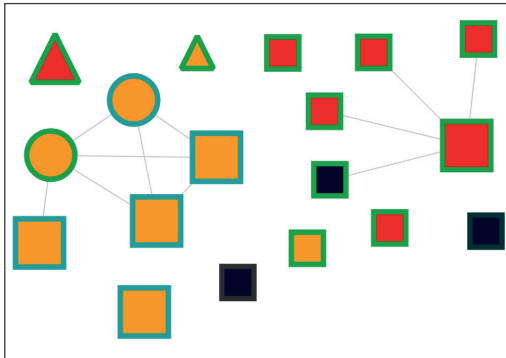
trepreneur; Figure 5.2 represents two typical DIE networks, which is much denser, where all contacts live in the country of destination<sup>28</sup>. The graphs show that TIE networks are richer in structural holes (Burt, 1992), i.e. persons who connect different groups and different kinds of contacts. As demonstrated in the cases illustrated below, TIEs take advantage of such brokers in order to identify and seize business opportunities.

As the literature on entrepreneurship and social networks suggests (Morrison, 2002; Hoang & Antoncic, 2003), the combination of larger size and lower density with the presence of some structural holes, entails that the sources providing support (e.g. pieces of information) are diverse and/or unique (see also Section 5.1.2). Indeed, TIEs benefit from having various kinds of contacts, located in different places. In contrast, since their business networks are homogeneous and spatially concentrated, DIEs risk receiving redundant resources - e.g. pieces of information - (Burt, 1992 and 1997). However, smaller and denser networks entail more trust (den Butter *et al.*, 2007), and entrepreneurs can benefit from this. Nevertheless, having a less dense and larger network does not prevent TIEs from having a number of trustful contacts. In fact, as underlined in Section 5.1.1, TIEs and DIEs have a similar number of strong ties in the business network, and many structural holes in TIE networks are either relatives or people TIEs really trust (as in the case of A20, presented below).

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<sup>28</sup> Business-network size is not addressed in the figures. In order to have a more understandable figure, I decided to present networks with a relevant number of business contacts.

**Figure 5.1** | Graphs A and B: Two examples of TIE business networks



**J. (A20)**

**Import and retail of Moroccan fabrics**

$$D(\text{business network}) = 0.200$$

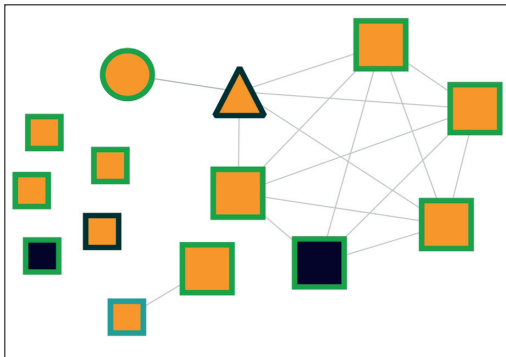
J.'s business network is composed of two main components, plus many isolates. The first component (top right) is composed of a majority of suppliers located in the Netherlands, most of whom are Dutch (the bigger red node introduced the other suppliers to J.).

The second component consists in J.'s brother, a cousin of J.'s, and Moroccan suppliers. J.'s brother, who has a business in the same sector, supported him with information regarding possible suppliers to contact. J.'s cousin, who lives in Morocco, supports him by buying the fabrics. Finally, the isolates are suppliers both in the Netherlands and in other countries, contacted directly by J.

**N. (M14)**

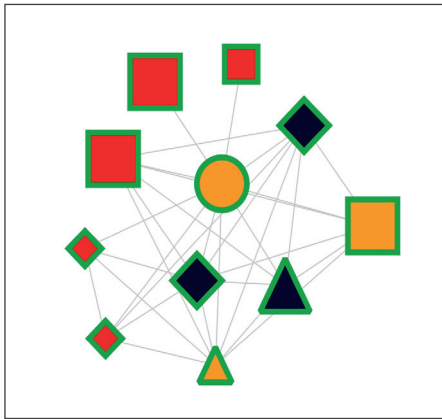
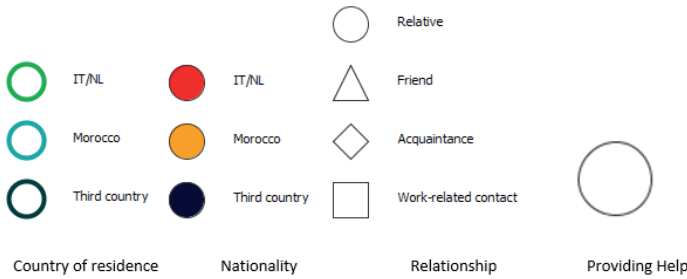
**Import and retail of Moroccan foods and herbs**

$$D(\text{business network}) = 0.080$$



N.'s business network is mainly made up of strictly work-related contacts (the square nodes). They are both suppliers and clients (who are other shops). The latter are generally disconnected from other alters (isolates). The former are interconnected to one another (the connected group on the bottom right of the figure). The only friend in the business network (the triangle node) is L, who is also N.'s supplier and who introduced him to the other suppliers. The work-related contact in the centre is A, a supplier in Turin, who suggested a Moroccan supplier for buying the herbs.

Figure 5.2 | Graphs C and D: Two examples of DIE business networks



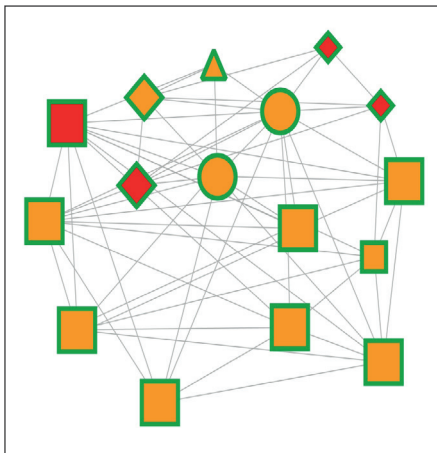
**M. (M28)**  
**Phone centre**

$$D(\text{business network})=0.564$$

Friends, acquaintances, work-related contacts and a close relative compose M.'s business network. Work-related contacts are mainly other entrepreneurs with a similar business, employees, and business consultants.

In particular, the friends (the triangles) and the son (the circle) know almost all the business contacts because they work in the phone centre.

Acquaintances K. and O. (the two biggest diamond shapes), who own two phone centres, provided M. with some key pieces of information about how to run the business and they introduced him to other useful contacts.



**M. (A15)**  
**Bakery**

$$D(\text{business network})=0.731$$

A few relatives and friends, and many exclusively work-related contacts make up M.'s business contacts. They tend to know one another and they all live in Amsterdam.

All these people are employees or people who sometimes provide labour support. In particular, his brothers (circles in the top-centre of the graph) provide him with support for the business, by sometimes working in the bakery or performing other small tasks.

Therefore, TIEs and DIEs differ in the way they identify and exploit the resources provided by their contacts, i.e. their social capital (Putman, 2000; Lin, 2001; Adler & Kwon, 2002; Andreotti, 2009; Flap & Völker, 2013; Baron, 2015). If we consider both composition and structure, DIEs seem more likely to bond<sup>29</sup> with resources they have in the network at a local scale. They simply use their resources and the contacts that they can reach thanks to their nodes. In particular, DIE networks are characterised by taking advantage of the fact that their networks are quite dense (Coleman, 1988; Burt, 2001). In the sample, it is not common to find a node that is disconnected from the others in their business network. In contrast, TIEs show a capacity for bridging<sup>30</sup> across national-borders. Indeed, TIEs use a *transnational capital* (Rusinovic, 2008a) that they often already have (see above), but they also create new resources and thus bridge different contexts and people.

## 5.2 Support received: the more relevant and more active role of TIE contacts compared to those of DIEs

So far, I have illustrated the composition and the structure of business and support networks, and now I shall deal with the kind of support provided by the entrepreneurs' contacts. I have identified three main types of support: financial, labour and informational. Financial support refers to loans, forms of credit, etc. provided by contacts to foster the business. People might also support entrepreneurs (occasionally or in a continuative way) by working for them for little or no pay. Finally, contacts can also provide important information and/or introduce entrepreneurs to other key contacts (informational support). In general (whole sample), the most recurrent kind of support is informational, i.e. providing information or introducing key people to the entrepreneurs (49.6% of the support network). Financial and labour support is provided by 24.9% and 23.1% of the people supporting the entrepreneurs.

In particular, TIEs and DIEs differ in the kinds of support they receive from their supportive network contacts (see Table 5.12;  $V=0.219^{**}$ ). Informational support is fundamental to both categories but even more so to TIEs. Since TIEs connect different markets located in various national contexts, they need more information from key informants. Entrepreneurs who own a domestic business receive more labour support, while financial support seems more important for TIEs. However, the differences in financial support are mainly due to dissimilarities between TIEs and DIEs in the sample composition. Indeed, for both groups of entrepreneurs<sup>31</sup>, suppliers provide financial support through sending the goods to the entrepreneurs and allowing them to pay later: "*Suppliers give me my main economic support. If I need it, they sell me the goods and I can pay later. Or, if I ask for a van full of goods, they give me two*" (M03). This is logically valid mainly for entrepreneurs in the goods-related sector, which is overrepresented in the TIE category, especially in Milan.

<sup>29</sup> Bonding refers to resources from homogenous groups (e.g. relatives; co-nationals).

<sup>30</sup> Bridging refers to resources from socially heterogeneous groups.

<sup>31</sup> Both TIEs and DIEs mainly receive financial support from suppliers: 71% of TIE contacts providing financial support are suppliers, compared to 62.2% of DIE contacts. In this regard, the role of suppliers is the same.

**Table 5.12a-b** | Kind of support received - TIEs and DIEs

Support	TIEs	DIEs
Financial	29.9	19.1
Labour	16.2	34.5
Information	53.9	46.4
<i>Total (%)</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>284</i>	<i>194</i>
Association	V=0.219**	

\* p&lt;0.05 \*\*p&lt;0.01

Support	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-related sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Financial	12.5	22.8	41.3	15.1	32.7	18.3	25.7	22	46	17.3	18.1	20.4	39.2	23.3	12.2	15.7
Labour	8	44.5	21.5	23.7	21.7	37.9	8	22	23.8	51.8	10.1	22.1	20.4	31.4	8.2	37
Information	79.5	32.7	37.2	61.2	45.6	43.8	66.3	56	30.2	30.9	71.8	57.5	40.3	45.3	79.6	47.3
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>112</i>	<i>101</i>	<i>172</i>	<i>93</i>	<i>171</i>	<i>153</i>	<i>113</i>	<i>41</i>	<i>126</i>	<i>81</i>	<i>149</i>	<i>113</i>	<i>186</i>	<i>86</i>	<i>98</i>	<i>108</i>
Association	V=0.492**		V=0.280**		V=0.207**		V=0.192*		V=0.332**		V=0.178*		V=0.168*		V=0.365*	

\* p&lt;0.05 \*\*p&lt;0.01

However, aside from quantitative dissimilarities such as the number of contacts providing a certain kind of support, TIEs and DIEs also differ when it comes to the role of the contacts supporting the business. TIE contacts play a more fundamental and active role compared to DIE ones, in terms of labour and informational support.

The contacts of TIEs provide a more relevant kind of labour support than those of DIEs. They usually contribute to managing the foreign side of the business:

*“My brother lives in Barcelona. He has direct contacts with the suppliers there. When we started, he went directly to the central market in Barcelona and he spoke with them in order to broker some agreements. He usually buys the fruit, he arranges everything and then he sends the fruit to Milan.” (M06)*

*“I send part of the clothes I buy here to Morocco. Then, my brother sells them to shops over there.” (M01)*



In contrast, DIES seem to receive a less fundamental, and more often occasional, contribution. They only occasionally require support with the shop (if they have one):

*"Sometimes my wife and her sister come and help me, on Saturdays, when I need it." (A21)*

*"My brother helps me sometimes... he covers for me when I can't stay in the shop; but this happens only occasionally." (M31)*

As for informational support, contacts provide TIEs with key pieces of information for the foreign side of the business:

*"My friend from the Emirates supports me in selling my products in the Gulf. He gives me tips; he introduces me to some clients, etc." (A22)*

*"I have one supplier in Morocco. I chose that one because the company is quite famous and some friends knew it personally." (M14)*

*"Some of my relatives have a similar business in another part of Morocco. Then one of my father's neighbours also gave me some information and he helped me to start a business in this field." (M11)*

In contrast, DIES usually receive mainly bureaucratic support and basic information to start their business:

*"I got information from this Moroccan man who worked in wholesale. He told me how to start the business, and he gave me advice about the red tape." (A19)*

*"Some family members and also some friends helped me set up the administration and build the restaurant." (A27)*

### Different kinds of support and different types of contacts

If we connect the types of contacts and the different kinds of support, certain dissimilarities emerge between TIEs and DIEs (Table 5.13).

**Table 5.13** | Most relevant groups providing different kind of support (%) - TIEs and DIEs<sup>32,33</sup>

	Financial support	Labour support	Informational support
TIEs	Work-rel. contacts (67) Friends (8)	Relatives (30) Friends (7) - Work-rel. c. (7)	Work-rel. contacts (75) Friends (34) - Relatives (27)
DIEs	Work-rel. contacts (27) Relatives (6)	Friends (21) Relatives (21)	Work-rel. contacts (50) Acquaintances (16)
Association	V=0.153	V=0.359**	V=0.148
TIEs	Weak ties (65.9)	Strong ties (87)	Strong ties (52.3)
DIEs	Weak ties (70.3)	Strong ties (62.7)	Weak tie (40)
Association	$\tau = -0.043$	$\tau = -0.267^{**}$	$\tau = -0.119$ (p<0.06)
TIEs	Natives (32.9) Internationals (32.9)	Moroccan immigrants (52.2) Origins (19.6)	Natives (37) Origins (19)
DIEs	Natives (58.8) Moroccan immigrants (37.8)	Moroccan immigrants (64.2) Natives (23.9)	Natives (47.8) Moroccan immigrants (31.1)
Association	V=0.472**	V=0.451**	V=0.460**
TIEs	85	46	153
N DIEs	37	67	90
<i>Total</i>	<i>122</i>	<i>113</i>	<i>243</i>

\* p<0.05 \*\*p<0.01

From a financial point of view, TIEs and DIEs differ in terms of the groups from whom they receive their support. Generally, suppliers provide financial support. TIEs have suppliers both in the country of destination (45.3%) and abroad (54.7%), and for this reason, *Internationals* are as important to them as *Natives* are. DIEs only have suppliers in the country of destination (100%) and these are mainly either natives or other Moroccans.

As for labour support, relatives and strong ties make up larger shares of TIE contacts than those of DIEs. Since TIEs need to manage businesses that span across borders, they need more

<sup>32</sup> The table should be interpreted in the following manner: e.g., for TIEs and financial support, the majority of alters providing support to TIEs are exclusively work-related contacts (67%).

<sup>33</sup> I did not calculate differences for TIEs and DIEs per city, market, sector and generation since the sample would have then been very small and would not be very reliable. In the table, only the first two groups are shown (or in the case of tie-strength only the first). Furthermore, data is presented here in absolute frequencies since in the majority of cases N is small.

people they can trust in order to support them for the business. For this reason, they more often use relatives compared to DIES. This is consistent with the previous results regarding the share of relatives in the business networks (see Section 5.1). For example, M. (M02) decided to set up a part of the clothes production for her fashion business in Morocco. Her father, who still lives in Morocco, is supporting her by verifying and picking up some of the products from the factory that manufactures the clothes: *“Sometimes he goes to pick up a package or to check that everything is OK. For this job I needed someone I trusted”*. Furthermore, Moroccan immigrants are important for both groups. However, TIEs rely more on *Origins* (i.e. Moroccans in Morocco), who are usually relatives.

Finally, different groups of contacts provide key pieces of information. Both TIEs and DIES receive informational support mainly from exclusively work-related contacts. However, while TIEs get this informational support from strong ties, DIES more often rely on weak ties. In particular, TIEs take advantage of the support given by relatives and friends, who usually provide advice on available opportunities and introduce TIEs to other important contacts, as highlighted by the TIE entrepreneurs during the interviews:

*“A Moroccan friend of mine has a business here and he helped us with advice about who we needed to contact.”* (M14)

*“That is a process of networking. I heard about certain individuals through family members or friends and I contacted them. They sent me to other people here and there. That is how it went.”* (A18)

Apart from natives, who give substantial support to both categories of entrepreneurs, contacts providing informational support are frequently from *Origins* (Moroccan people in Morocco) for TIEs, and Moroccans in the country of destination for DIES. Indeed, in the case of TIEs, *Origins* provide crucial informational support for cross-border links. For example, J. (A20), who owns a shop selling Moroccan furniture and fabrics, *“got a lot of information about the business from friends in Morocco”*. M. (M04) also received important information from relatives, in particular from some cousins living in Morocco:

*“They [the cousins] provide me with information about the Moroccan market, about Moroccan companies interested in Italy. I also got information about fabrics and carpets, because my cousins are also in the field.”* (M04)

### 5.3 Dissimilarities in network composition amongst TIEs

This section analyses differences amongst TIEs in terms of network composition<sup>34</sup>. As already underlined in Chapter 4, there are some differences within the group of entrepreneurs with a cross-border business (TIEs). These are mainly four: sector (import/export vs. consultancy business); market addressed (mainstream vs. ethnic market); city (Amsterdam vs. Milan), and generation (first- vs. 1.5-generation immigrants). These differences may influence the results regarding TIEs. TIEs present a partly different composition in terms of ego-alter relationships and groups. Furthermore, TIEs also differ in the kind of support they are more likely to receive from their contacts.

#### 5.3.1 Relationship and tie strength

If we consider the kind of relationship TIEs have with alters (Table 5.14), similarly to what we found in Chapter 4, two extreme profiles stand out from the data. These profiles share the fact that they comprise a majority of exclusively work-related contacts in both the business and the support network (usually with a similar incidence). However, they vary in the composition of business contacts that are not exclusively work-related (relatives, friends and acquaintances).

The first profile is characterised by a greater involvement of relatives in the business (business network - Table 5.14), who also play a more important supportive role (support network - Table 5.14). Entrepreneurs who own an import/export business and those in the ethnic market generally fall in this profile. Conversely, entrepreneurs in the second profile have more acquaintances and (occasionally) friends, who are the ones providing more support (apart from work-related contacts). Entrepreneurs in this second group generally own a consultancy business (in the mainstream market). Thus, these two profiles would appear to be linked to a combination of market and sector addressed<sup>35</sup>. Indeed, dissimilarities *per* generation and city seem linked to a different distribution by market and sector between Amsterdam and Milan, and between first and 1.5 generations.

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<sup>34</sup> Since the TIE sample is small (N=40) I decided not to compare the network size and density of the different kinds of TIEs (which would have had no sense) but only to analyse the differences among TIEs concerning network composition.

<sup>35</sup> The differences per generation and city seem linked to a different distribution for market and sector between Amsterdam and Milan, and between first and 1.5 generations.

**Table 5.14** | Alters' relationship with Ego (in %) - differences amongst TIE contacts<sup>36</sup>

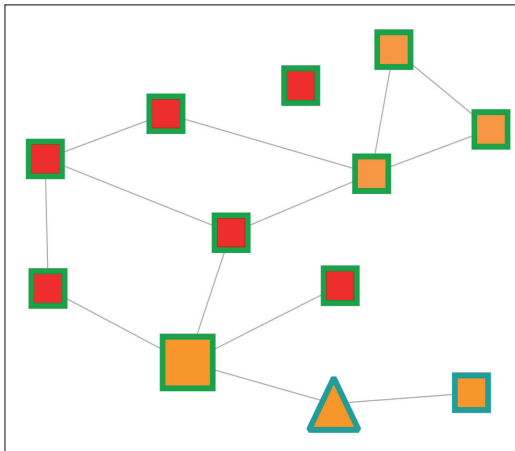
Relation-ship	Business network								Support-network							
	AM	MI	1 gen.	1.5 gen.	I/E	Cons	Con. mar.	Eth. mar.	AM	MI	1 gen.	1.5 gen.	I/E	Cons	Main-mar.	Eth. mar.
Relatives	7.5	16.4	14.4	10.4	14.4	9.5	8.2	17.8	13	27.9	26.4	15	24.9	16.4	12.5	34.1
Friends	9.2	9.8	9.9	9	8.1	12.8	12.7	6.2	17.5	16.9	16.7	17.7	14.3	22.4	23.7	9.5
Acquain.	10.5	2.3	1.7	11.7	2	13.4	9.3	1.8	16.5	2.3	1.7	17.7	2.1	19.4	13.8	1.6
Work-rel.	72.8	71.5	73.9	68.9	75.5	64.3	69.8	74.2	53	52.9	55.2	49.6	58.7	41.8	50	54.8
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>228</i>	<i>347</i>	<i>353</i>	<i>222</i>	<i>396</i>	<i>179</i>	<i>291</i>	<i>275</i>	<i>115</i>	<i>172</i>	<i>174</i>	<i>113</i>	<i>189</i>	<i>98</i>	<i>152</i>	<i>126</i>
Associa-tion	V=0.210**	V=0.216**	V=0.251**	V=0.233**	V=0.291**	V=0.303**	V=0.335**	V=0.356**								

\* p<0.05 \*\*p<0.01

Figure 5.5 and 5.6 provide two examples of these two different profiles. The first illustrates the case of a TIE who owns a consultancy and is in the mainstream market (R, A17). His network is mainly composed of exclusively work-related contacts and acquaintances. Figure 6, on the other hand, presents the example of a TIE who owns an import/export business in the ethnic market (M., M07). As the figure shows, relatives play a central role in his network.

<sup>36</sup> The results regarding the non-support network are not illustrated here because the focus is on understanding whether or not there are dissimilarities between different types of TIEs, and not on whether dissimilarities between TIEs and DIEs were similar in the support network as well, as in Section 6.1.

Figure 5.5 | Example of a TIE who owns a consultancy business in the mainstream market



**R. (A17)**  
**Consultancy for entering in the Moroccan market**

R. has two business partners. The first is a Moroccan friend who lives in Morocco and manages the Moroccan side of the business. The other is a 1.5-generation Moroccan who lives in Amsterdam.

Furthermore, he has many exclusively work-related contacts, who are people he has contacts with for the business (e.g. advisors, organisations). These are both natives (mainly) and Moroccans.

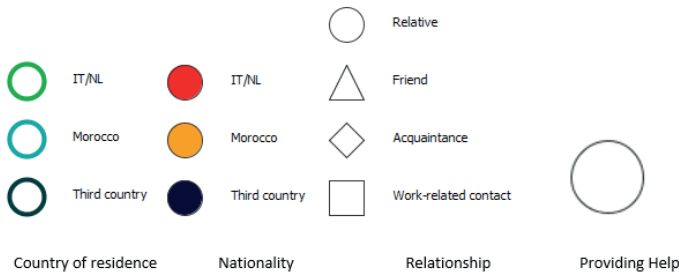
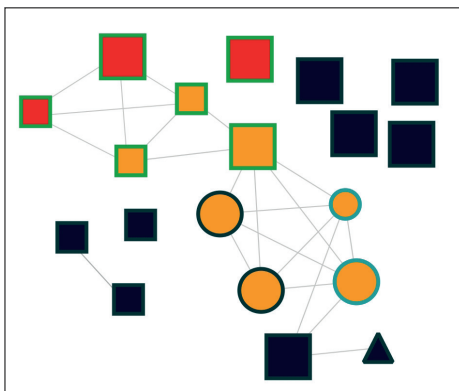


Figure 5.6 | Example of a TIE import/export business in the ethnic market

**M. (M07)**  
**Import/export and retail of Import/export of Chinese tea, bazaar products and Italian textiles**



M. has two branches of his business. One is in Milan (contacts on the top left). He has three employees and two partners (co-owners). The second branch is in France and it is managed by another business partner (blue square at the bottom), with the support of a friend there. In the bottom half (circles) there are two of his sisters, who have a business in Morocco, as well as a brother and a nephew who provide support for the business in France and in Canada. Finally, M. has some suppliers in China and France (bottom right) and some clients from Belgium and Saudi Arabia (centre left).

Similar differences emerge concerning the strength of these relations (Table 5.15). However, in this regard, the main dissimilarities are in connection with the city where the entrepreneurs live and the market addressed. The contacts of entrepreneurs in Amsterdam are less frequently *strong ties* than those of entrepreneurs in Milan. This is due to the different general habits of people living in Milan and Amsterdam. As stressed in the literature (Banfield, 1958; Jurado Guerrero & Naldini, 1996; Reher, 1998; Billari & Dalla Zuanna, 2008), the role of family is generally stronger and more important in Italy than in the Netherlands. Furthermore, businesses in the ethnic market have more *strong ties* in their network than those in the mainstream market. Since the former have businesses linked to the needs of co-nationals' and have more co-nationals in their network, they have more *strong ties* because co-nationals are more likely to be emotionally close to the entrepreneurs<sup>37</sup>.

**Table 5.15** | Strength of ego-alter ties (in %) - differences amongst TIE contacts<sup>38</sup>

Tie-strength	Business network								Support-network							
	AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Con. mark.	Eth. mark.	AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Main. mar.	Eth. mar.
Weak ties	72.4	60.5	62	70.3	63.1	69.8	66.3	64.4	55.7	42.4	40.8	58.4	46	51	43.7	50.7
Strong ties	27.6	39.5	38	29.7	36.9	30.2	35.6	33.7	44.3	57.6	59.2	41.6	54	49	56.3	49.3
Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Total (N)	228	347	222	353	396	179	291	275	115	172	174	113	189	98	152	126
Association	τ=0.122**		τ=-0.084*		τ=-0.065		τ=0.021		τ=-0.130*		τ=-0.172**		τ=0.047		τ=0.070	

\* p<0.05 \*\*p<0.01

### 5.3.2 Groups

As for the groups that the alters belong to (Table 5.16), the most important difference is between entrepreneurs in the mainstream and those in the ethnic market. Addressing a mainstream market entails having more natives in the business network, and thus being more likely to receive support from them. The ethnic market group, on the other hand, focuses on co-nationals and, consequently, has a higher number of Moroccans in the network: *Moroccan immigrants, Origins and Diasporas*.

In this regard, the data confirms the trends stressed in the literature regarding immigrant entrepreneurship (see Bates, 1994; Merger, 2001; Chaganti & Greene, 2002; Kariv *et al.*, 2009), namely that there are two different kinds of immigrant businesses. The first kind of TIE immigrant entrepreneur is better integrated in the co-national (or immigrant) group and generally has a business linked to the needs co-nationals. The second kind is less connected to co-nationals, and is inserted in a mainstream market. In the TIE category, entrepreneurs

<sup>37</sup> In the business network, Moroccan contacts are strong ties in 51.5% of cases, while natives of the country of origin are strong ties in 24.6% of cases and people from other countries in 23.1% of cases (V=0.283\*\*).

<sup>38</sup> The results regarding the non-support network are not illustrated here because the focus is on understanding whether or not there are dissimilarities between different types of TIEs, and not on whether dissimilarities between TIEs and DIEs were similar in the support network as well.

linked to co-nationals are usually involved in the goods-related market (i.e. import/export), while those connected to the mainstream market are more likely to be in the service sector (i.e. consultancy agencies), as clearly emerges when we compare results regarding the support network (Table 5.16).

**Table 5.16** | Groups (in %) - differences amongst TIEs

Group	Business network								Support network							
	AM	MI	1 gen	1.5 gen	I/E	Cons	Main mark	Eth. mark	AM	MI	1 gen	1.5 gen	I/E	Cons	Main mark	Eth. mark
Natives	28.5	26.2	25.2	30.2	26	29.6	34.3	17.5	38.3	28.5	30.5	35.4	25.9	44.9	43.4	15.1
Mor. Imm.	19.7	28.8	26.1	23.8	26.3	22.9	18.2	33.4	20.9	20.9	21.8	19.5	21.2	20.5	18.4	25.4
Origins	18	11.8	13.9	14.9	13.6	15.6	12.4	16.4	11.3	19.8	18.4	13.3	19.6	10.2	11.2	23
Other imm.	3.5	8.1	7.6	4.1	5.1	8.9	6.2	6.5	3.5	5.8	5.2	4.4	4.2	6.1	5.9	4
Diasporas	2.2	5.5	4	4.5	4.5	3.4	1.4	7.3	4.3	5.8	4.6	6.2	4.8	6.1	2	9.5
Internat.	28.1	19.6	23.2	22.5	24.5	19.6	27.5	18.9	21.7	19.2	19.5	21.2	24.3	12.2	19.1	23
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N.)</i>	<i>228</i>	<i>347</i>	<i>222</i>	<i>353</i>	<i>396</i>	<i>179</i>	<i>291</i>	<i>275</i>	<i>115</i>	<i>172</i>	<i>174</i>	<i>113</i>	<i>189</i>	<i>98</i>	<i>152</i>	<i>126</i>
Association	V=0.190**	V=0.089	V=0.104	V=0.255**	V=0.148	V=0.090	V=0.236**	V=0.349**								

\* p<0.05 \*\*p<0.01

### 5.3.3 Spatial location of alters

Concerning the geographical location of alters (Table 5.17), TIEs differ mainly at a regional level, regarding two points:

- TIE business and support networks in Amsterdam are less geographically concentrated than those in Milan. In particular, the contacts of TIEs in Milan are more concentrated in Lombardy than the contacts of TIEs in Amsterdam are concentrated in Northern-Holland. In fact, TIEs in Milan take advantage not only of the Milanese production system, but also of the regional one. Lombardy is characterised by a combination of small and medium-sized businesses, which Moroccan entrepreneurs use for their own businesses. In the Netherlands, since the country is smaller and Northern-Holland does not share this peculiarity (see Chapter 3), business connections tend to extend to the entire country.
- The contacts of first generations are more likely to be from the same area of origin in Morocco. It is possible to hypothesise that, since 1.5-generation respondents generally arrived at a younger age than did first-generation respondents, they have fewer links with their region of origin. Furthermore, people supporting 1.5-generation entrepreneurs are more likely to live in the same neighbourhood than those supporting first generations. Again, since the former migrated earlier than the latter, we can assume that they are better integrated in the neighbourhood where they live.



**Table 5.17a-b** | Spatial scales (in %) - differences amongst TIEs<sup>39</sup>

Spatial scales	Business network							
	AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Mainstr. mark.	Ethnic mark.
Same region in Mor. <sup>a</sup>	31.1	51.2	52.5	29.5	46.9	37.7	40	46.2
	$\tau=0.194^{**}$		$\tau=-0.228^{**}$		$\tau=-0.101$		$\tau=0.060$	
Same country of residence (IT/NL)	51.8	63.1	58.9	58.1	57.3	61.5	58.8	57.5
	$\tau=0.113^{**}$		$\tau=-0.008$		$\tau=0.039$		$\tau=0.013$	
Same region in IT/NL <sup>b</sup>	63.9	84.2	79	73.8	77.3	76.6	75.7	78
	$\tau=0.230^{**}$		$\tau=-0.060$		$\tau=-0.008$		$\tau=0.027$	
Same city in IT/NL <sup>b</sup>	58.8	62.9	64.3	56.9	57.2	70.3	60.7	62.3
	$\tau=0.040$		$\tau=-0.074$		$\tau=0.126^*$		$\tau=0.016$	
Same neighbour. in city of imm. <sup>c</sup>	33.8	29.3	28.7	34.7	30	31.2	29.2	34
	$\tau=-0.046$		$\tau=0.062$		$\tau=0.008$		$\tau=-0.015$	

\*  $p<0.05$  \*\* $p<0.01$

<sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;

<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination<sup>40</sup>;

<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

Spatial scales	Support network							
	AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Mainstr. mark.	Ethnic mark.
Same region in Mor. <sup>a</sup>	52.4	66.3	71.6	43.2	60.9	63.2	58	63.5
	$\tau=0.135$		$\tau=-0.279^{**}$		$\tau=0.021$		$\tau=0.056$	
Same country of residence (IT/NL)	62.6	55.2	57.5	59.3	51.3	71.4	67.8	44.8
	$\tau=-0.073$		$\tau=0.018$		$\tau=0.193^{**}$		$\tau=-0.235^{**}$	
Same region in IT/NL <sup>b</sup>	59.7	88.5	79.2	71.6	78.9	72.9	71.1	82.1
	$\tau=0.335^{**}$		$\tau=-0.087$		$\tau=-0.066$		$\tau=0.111$	
Same city in IT/NL <sup>b</sup>	56.9	65.6	63.4	59.7	57.1	68.6	61.5	62.5
	$\tau=0.088$		$\tau=-0.037$		$\tau=0.116$		$\tau=0.009$	
Same neighbour. in city of imm. <sup>c</sup>	51.2	33.3	32.8	52.5	37.5	43.8	40.6	45.7
	$\tau=-0.178$ ( $p<0.8$ )		$\tau=0.195^*$		$\tau=0.064$		$\tau=0.049$	

\*  $p<0.05$  \*\* $p<0.01$

<sup>a</sup> Share of people from the same region as the interviewees in Morocco (who may or may not still live there) in the total contacts from Morocco;

<sup>b</sup> Share of people living in the interviewee's city of residence, out of total number of contacts living in the country of destination;

<sup>c</sup> Share of people living or working in the neighbourhoods where interviewees work or live (in the city of residence), out of total number of contacts living in the city of destination.

<sup>39</sup> For a complete version of the table, see Annex 3 in Appendix (Tables 5 and 6).

<sup>40</sup> I decided to take as a reference only contacts living in the country of destination so as not to distort the comparison between TIEs and DIEs, since DIEs have many more business contacts located in the country of destination. The same reasoning applies for point c (...out of total number of contacts living in the city of destination) and for Table 5.17b.

### 5.3.4 Support received

As in the comparison between TIEs and DIEs, some differences also emerge regarding the support received (Table 5.18). Diverse types of cross-border businesses lead to diverse types of support. There are two typical profiles. Consultancy agencies are linked to the first, whereas the second refers to import/export businesses. Consultancy businesses mainly receive informational help. In contrast, import/export businesses are more likely to receive financial and working help. Many suppliers help the import/export entrepreneurs by providing the goods up front and allowing the entrepreneurs to pay for them later (as already underlined above). In contrast, in order to offer their services, consultancy businesses need and receive more information. Similar differences occur between businesses in the ethnic and mainstream markets, and between Milan and Amsterdam. Such differences seem connected to the fact that there are more import/export businesses in the Milanese sample and there are more consultancy agencies in the Amsterdam sample, as well as to the correlation between market and sector (see Chapter 3).

**Table 5.18** | Kind of support received - differences amongst TIEs

Support	Amsterdam	Milan	1 generation	1.5 generation	I/E	Cons.	Mainstr. market	Ethnic market
Financial	17.4	32.1	25.9	24.7	39.3	12.2	17.6	42.3
Working	25.4	22.3	29.3	11.7	20.4	8.2	9.2	23.2
Information	57.2	45.6	44.8	63.6	40.3	79.6	73.2	34.5
<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total (N)</i>	<i>112</i>	<i>172</i>	<i>171</i>	<i>113</i>	<i>186</i>	<i>98</i>	<i>149</i>	<i>126</i>
Association	V=0.169**		V=0.210**			V=0.375**		V=0.389**

\* p<0.05 \*\*p<0.01

## 5.4 Conclusions

In this chapter, I addressed entrepreneurial network composition and structure, with a focus on the role played by the entrepreneurs' contacts when it comes to identifying and seizing business opportunities. I analysed these topics by illustrating how embeddedness in different kinds of networks (relational embeddedness) might affect the seizing of business opportunities (e.g. bridging and bonding social capital).

In particular, the chapter aimed to answer two research questions (see introduction to this chapter). The first question was about differences in business network composition and structure between TIEs and DIEs (*Do TIEs and DIEs differ in their business network composition and structure?*). In this regard, four elements emerged:

1. TIE business and support networks are more geographically dispersed than those of

DIEs. TIEs rely on *glocalised* networks (Chen & Tan, 2009), i.e. networks with both global and local connections. Conversely, DIE networks are more spatially concentrated at a local level. They have almost no business or support contacts outside the country of destination. Furthermore, DIE contacts are more concentrated in the city (and neighbourhood) of destination.

2. In addition to spatial concentration, DIE networks also show greater homogeneity in terms of the contacts' country of origin. Indeed, the network contacts of DIEs are predominantly natives of the country of origin and co-nationals, while in the case of TIEs network contacts also come from third countries.
3. The dissimilarities underlined in points 1 and 2 above are partly pre-existing. Indeed, TIEs already have a more balanced network (in terms of geographical location and country of origin) before the business start-up, and this heterogeneity slightly increases after the business start-up. As already stressed in past literature (Patel & Conklin, 2009), balancing the types of contacts provides TIEs with different kinds of resources and opportunities for the business.
4. TIE business networks are both larger and less dense than those of DIEs. TIE networks are also characterised by the presence of structural holes, i.e. people connecting the entrepreneur with other key contacts (e.g. suppliers) who would otherwise have been difficult to obtain for the entrepreneur.

A second aim of the chapter was to understand whether there are any dissimilarities regarding how entrepreneurs take advantage of embeddedness in these networks to seize business opportunities (*Do TIEs and DIEs differ in how relational embeddedness is relevant for the purpose of identifying and seizing business opportunities?*).

In this regard, three important differences emerge:

1. TIEs take advantage of their relational embeddedness in (and receive support from) the co-national immigrant group, the native group and the international group (i.e. people from third countries), while DIEs take advantage only of their embeddedness in the co-national group of immigrants and in the native group (i.e., only in the country of destination). In other words, TIEs and DIEs use different kinds of contacts in order to identify and seize business opportunities.
2. The differences in network composition and structure make it clear that DIEs tend to mobilise social resources within their dense and homogeneous networks (bonding social capital). In contrast, TIEs exploit their capacity to bridge (bridging social capital) different people in different places (sparse and heterogeneous network).
3. Contacts supporting the entrepreneurs play a more relevant and more central role for TIEs than for DIEs, for both labour and informational support. TIE contacts contribute to managing the foreign side of the business, while DIE contacts only occasionally provide them with labour support. Furthermore, the information provided to TIEs generally concerns opportunities abroad and how to seize them, whereas the

information given to DIEs tends to be mainly of a bureaucratic nature.

The chapter provides an advance on the literature on the topic, which does not frequently compare TIEs and DIEs. For example, past studies underlined the importance of both weak and strong ties for both TIEs (Kyle, 1999; Wong & Ng, 2002; Kariv *et al.*, 2009; Kwak & Hiebert, 2010; Henn, 2013) and DIEs (Bates, 1994; Chaganti & Greene, 2002; Nannestad *et al.*, 2008; Kanas *et al.*, 2011). Therefore, it would seem that TIEs and DIEs are similar in this regard. In contrast, as underlined in this chapter, the contacts provide different kinds of support depending on the type of immigrant entrepreneurs.

Besides clarifying the differences between TIEs and DIEs, another contribution of this chapter is that it sheds light on the dissimilarities between different kinds of cross-border business (TIEs) in terms of how they employ social contacts for their business. As in Chapter 4, differences emerge between import/export businesses and consultancies, as well as between cross-border businesses focusing on an ethnic and a mainstream market.

Two contrasting types of TIEs emerge from the analysis of the use of social network and relational embeddedness. The first relies more heavily on relatives and co-nationals. This is typical of first-generation import/export entrepreneurs operating in the ethnic market. Thus, the use of relational embeddedness is connected to family members and people of the same nationality. In contrast, the second type of TIEs, mainly composed of 1.5-generation consultancies operating in a mainstream market, is more closely linked with friends and natives.

In conclusion, the analysis has so far been focused on structural (Chapter 3) and relational embeddedness (present chapter). The next chapter addresses individual characteristics and how they interact with structural and relational embeddedness.

## Summary

### *Findings*

- a. **Network:** TIEs have more geographically dispersed and territorially-articulated networks, which are less dense than those of DIEs. DIE networks are not only almost exclusively located in the country of destination, but they are also more concentrated in the city of destination. TIE business contacts are also more varied in terms of nationalities, with a more relevant group of people from other countries (i.e. neither from the country of destination nor from Morocco). These differences in the entrepreneurs' networks were already present before the business start-up. TIE networks are generally larger (composed of more business contacts) and less dense than those of DIEs. Furthermore, two different profiles emerge within the category of TIEs. The first relies more heavily on relatives and co-nationals, and so the use of relational embeddedness is connected to family members and people of the same nationality. In contrast, the second type of TIEs is more closely linked with friends and natives.
- b. **Relational embeddedness:** Different kinds of networks entail a different use of the entrepreneur's embeddedness in these networks. Firstly, TIEs exploit their capacity to bridge different people in different places (bridging social capital). In contrast, DIEs bond with similar contacts, mobilising resources within their dense and homogeneous network (bonding capital). Secondly, TIE contacts provide a more central and continuative support, by helping to manage the foreign side of the business and by providing key information on how to develop this aspect.

### *Conclusion*

TIEs and DIEs differ in the kinds of network they are embedded in and the role played by these networks when it comes to identifying and seizing business opportunities.

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## CHAPTER 6

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

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

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

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

According to the literature, different kinds of individual characteristics influence immigrant entrepreneurial activities.

First, the level of education and the number of training courses can help immigrant entrepreneurs manage their business and provide them with the 'right' profile to seize any available opportunities (Bates, 1994; Valdez, 2008; Kariv *et al*, 2009; Patel & Conklin, 2009; Beckers & Blumberg, 2013).

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

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

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

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

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

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



## 6.1 Entrepreneurial paths and individual characteristics

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

### 6.1.1 Different paths

The first path is mainly characterised by past work experience, while the second is linked to educational background and the third is characterised by a mix of the two. As for the fourth, it is represented by entrepreneurs who do not take advantage of either past work experience or educational background. Table 6.1 presents information on the different individual skills<sup>1</sup> for each path.

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

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

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

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

<sup>1</sup> Pro-activeness is not included in the table, since it was measured qualitatively.

ficient barman. He was later able to start his own business thanks to the skills he acquired during this previous job. In addition, since he started in the same neighbourhood as that of his previous job, he already had some customers: *"I was already known here, so I already had some clients"*.

### **Path #2 - Education-driven entrepreneurs: 'My studies allowed me to...' (N=7)**

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

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

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

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

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

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

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

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

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

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

**Table 6.1** | Paths and individual characteristics

Path	Educ. qualification		Entrepr. fam. back.		Training courses		Number of languages known		
	Low	High	No	Yes	No	Yes	0	1	>=2
#1 Experience building (N=39)	14	25	17	22	27	12	14	15	10
#2 Education-driven (N=7)	0	7	7	0	1	6	0	4	3
#3 Exp-edu merger (N=19)	1	18	5	14	5	14	3	7	9
#4 By chance (N=5)	4	1	5	0	4	1	2	3	0

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

### **6.1.2 Different paths and types of immigrant entrepreneurs**

If we connect the paths and the types of immigrant entrepreneurs (TIEs and DIEs), we see that partially different patterns characterise TIEs and DIEs (Table 6.2a<sup>2</sup>) in the sample. Both

<sup>2</sup> In both Tables 2 and 3, no association measures were calculated (apart from that concerning the comparison between TIEs and DIEs in Table 6.2a) due to the small number of interviews. The values are merely indicative of the tendencies in the sample.

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

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

Path	TIEs	DIEs	Total
#1 Experience building	19	20	39
#2 Education-driven	7	0	7
#3 Exp-edu merger	9	10	19
#4 By chance	0	5	5
<i>Total</i>	35	35	<b>70</b>
Association	V=0.415**	-	

\*\*p<0.001

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

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

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

Path	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Mainstream market		Goods sector		Service sector	
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
#1	6	6	13	14	14	15	5	5	12	6	7	14	16	14	3	6
#2	5	0	2	0	2	0	5	0	2	0	5	0	5	0	2	0
#3	4	6	5	4	4	7	5	3	4	3	5	7	4	2	5	8
#4	0	3	0	2	0	3	0	2	0	0	0	5	0	4	0	1
<i>Total</i>	15	15	20	20	20	25	15	10	18	9	17	26	25	20	10	15

Some dissimilarity also emerges among TIEs (Table 6.3)<sup>3</sup>. When analysing the differences among TIEs, generation is the most relevant factor producing differences in characteristics. Indeed, 1.5 generations seem more likely to rely on their education, and thus to fit the second path. Generally, these 1.5 generations are part of the mainstream market and they own a consultancy. However, the key factor seems to be their generation. Indeed, during the interviews it emerged that 1.5-generation respondents have generally studied to become entrepreneurs, and they are characterised by a strong entrepreneurial attitude. This is the case of S. (A23), who owns a mediation and sales-assistant consultancy. As many other TIEs in this category, he states:

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

**Table 6.3** | Paths and types of immigrant entrepreneurs - differences among TIEs

Path	Amsterdam	Milan	1 generation	1.5 generation	I/E	Con.	Ethnic market	Mainstr. market
#1 Experience building	6	13	14	5	16	3	12	7
#2 Education-driven	5	2	2	5	5	2	2	5
#3 Exp-edu merger	4	5	4	5	4	5	4	5
#4 By chance	0	0	0	0	0	0	0	0
<i>Total</i>	<i>15</i>	<i>20</i>	<i>20</i>	<i>15</i>	<i>25</i>	<i>10</i>	<i>18</i>	<i>17</i>

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

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

### 6.2.1 Education

Although the qualifications of TIEs and DIEs in the sample do not differ very much<sup>4</sup>, TIEs seem to take more advantage of the subject of their degree (e.g. economics, management), and this degree is usually linked to their business. In particular, they exploit degrees having to do

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

<sup>4</sup> DIEs: 11 low, 24 high; TIEs: 8 low, 27 high. See also Chapter 3.

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

By contrast, as already underlined by other studies (Chiesi & Zucchetti, 2003), DIEs seem to be favoured by the fact of having a degree, but the subject of this degree does not appear to be relevant. The degree provides them with the *forma mentis* and the basic skills to run their business. For example, T. (M22), who owns an itinerant retail business of household products, says,

*“My studies were not related to the business. But it has been useful for calculating and deciding the prices. If you haven’t studied, how can you understand how things go? People want to fool you. You have to be aware and to have the mind to make the right decisions.”* (M21)

Since connecting more countries is also more difficult, TIEs usually need more managerial and business skills than do DIEs<sup>5</sup>.

## 6.2.2 Linguistic skills

Furthermore, TIEs and DIEs in the sample differ in their linguistic skills<sup>6,7</sup>. In particular, apart from Arabic/Berber and Italian/Dutch, TIEs and DIEs in the sample are different in the number of languages they can speak. Although both TIEs (27/35) and DIEs (23/35) are generally able to speak at least one other language, a relevant part of TIEs (14/35) know two or more languages. By contrast, only a number of DIEs speak more than one language (8/35).

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

<sup>5</sup> This is confirmed also by sorting the sample by city, generations, markets and sectors.

<sup>6</sup> This tendency is also generally confirmed for Moroccan entrepreneurs in both mainstream and ethnic markets, in Milan and Amsterdam, across different sectors and generations.

<sup>7</sup> For the business TIEs usually use Arabic/Berber (32/35), Italian/Dutch (31/35) and one or two others languages - usually English (19/35) or French (21/35), but also Chinese, German or Spanish (9/35). By contrast, DIEs use Italian/Dutch (31/35) or Arabic/Berber (32/35) and in fewer cases English (13/25) and French (17/35). English and French are spoken only occasionally, and in most cases (28/35) the main languages spoken is that of the country of origin. Together with that of the country of destination, the most important language is Arabic.

It would be easy to hypothesise that these different language skills are connected to the cross-border activity itself, namely that TIEs have developed their language skills while running their business ('learning by doing'). However, the findings contradict this conclusion. There is a reverse causality. TIEs usually knew several languages before starting a business: *"I can speak several languages. I always thought they were important, and I always invested in languages, even before opening my business"* (A09). They usually learned these before the start-up of their business (at school, thanks to past work experience or following personal interest). For example, R. (M09) exports Italian machinery to companies outside Italy. To handle the business, she needs to speak Arabic, English and Italian. Before starting the business, she had some experience with all three languages because she worked for an airline company:

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

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

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

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

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

Another relevant language is English, which has become, as for all kinds of businessmen, the international language for Moroccan TIEs. This is particularly important for import/export businesses that also import products from non-Arabic-speaking countries. For example, M. (M07) has an import/export business with links to China, France, Morocco and Spain, among other countries. In particular, he imports green tea from China, which he then sells to

Moroccans in Milan. *“My main contacts are with China... I mainly speak English with them”*. If he did not speak English, he would not be able to import tea from China.

### 6.2.3 Pro-activeness

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

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

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

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

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

### 6.2.4 Entrepreneurial family background

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

DIEs seem more likely to follow the family experience. They sometimes just continue the family business or they start a new one in exactly the same sector. For example, S. (M21) has



an itinerant retail business selling fruits and vegetables. His father has a farm in Morocco, and so S. knows “*how fruits and vegetable grow, what are the seasonal ones. I can recognise the good ones. I know this, because my father is in the same business there. So I decided to run this business*”.

TIEs start from the family path but usually go beyond. They tend to remain in the same sector as their relatives, but they also try to expand their business. This expansion is often connected to an internationalisation of their business. This allows TIEs to have a deeper knowledge of the sector and, sometimes, of the country of origin, which helps them identify and seize available opportunities abroad when they decide to internationalise the business. For example, F. (M18) imports household products and sells them to other shops. His parents started the business in itinerant form, but then F. decided to go one step further and started importing the products directly from abroad and selling them to other businesses:

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

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

These results suggest a final consideration. Moroccan entrepreneurs with better individual characteristics tend to start cross-border businesses that go beyond the majority of immigrant entrepreneurial experiences, which are often local, small-trade and low-profit<sup>8</sup>. By contrast, Moroccan entrepreneurs with lower-level individual characteristics are more likely to be satisfied with starting more ‘traditional’ businesses, e.g. domestic businesses.

### 6.3 Different profiles among TIEs

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

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<sup>8</sup> Although this topic is not addressed in the thesis, interviews suggest that cross-border businesses are more profitable ( $\tau = 0.246^*$ ) and more resistant to the economic crisis.

The main differences emerge with regard to import/export and consultancy businesses and, to a lesser extent, between businesses in the mainstream and in the ethnic market<sup>9</sup>.

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

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

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

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

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

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

<sup>9</sup> No relevant dissimilarities emerge among cities and generations. Evidence of this is not reported here. However, data are available upon request.

<sup>10</sup> The evaluation of the linguistic skills ('how much are you fluent in...?') were based on a self-evaluation (0 - not at all; 7 - very fluent).

neers are important for advice on how to run a business, but this does not affect the business concretely nor does it influence the fact of identifying and seizing opportunities. For example, S. (M24) has a consultancy business and provides information to people who want to go to, or to have contact with, Morocco (be it for holidays or for business). His father owns a store selling household products, and he says he benefited from this: *“when I started I knew many useful things thanks to my father, who has a shop”*. However, he is not in the same field as his father.

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

### 6.3.2 Ethnic vs. mainstream market

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

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

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

acteristics to identify and seize business opportunities. As in Chapters 4 and 5, the analysis of individual characteristics once again highlights the fact that the profiles within the category of immigrant entrepreneurs with a cross-border business (TIEs) are non-homogeneous.

#### 6.4 Structural embeddedness, relational embeddedness and individual characteristics

Chapters 4 and 5 illustrated the use of structural and relational embeddedness by Moroccan entrepreneurs to identify and seize business opportunities. Previous sections of this chapter also underlined the importance of certain individual characteristics.

Furthermore, the literature suggests that the role of embeddedness in the business can vary according to entrepreneur characteristics. In particular, studies on both the labour market and immigrants (Corcoran *et al.*, 1980; Boheim & Taylor, 2001; Battu *et al.*, 2011) as well as others on immigrant entrepreneurship (Bates, 1994; Min & Bozorgmehr, 2000; Merger, 2001; Chaganti & Greene, 2002; Kariv *et al.*, 2009) stressed that only immigrant entrepreneurs with limited individual resources - especially a low level of education - rely on personal contacts for their business, whereas people with a different background and social status can reach different kinds of contacts (Lin *et al.*, 1981). Moreover, since this thesis introduced the concept of structural embeddedness, no past studies show whether individual characteristics and skills affect it.

Therefore, this section recalls the findings on structural and relational embeddedness based on the different paths underlined in Section 6.1 and the following individual characteristics that influence the identification and seizing of business opportunities: education, past work experience, and entrepreneurial family background. However, I decided not to consider linguistic skills and pro-activeness<sup>11</sup>.

In Section 6.1 four different paths concerning the use of individual characteristics were illustrated. Two of these (#1 and #3) include both TIEs and DIEs and they allow a comparison between these two types of immigrant entrepreneurs. For this reason, I will limit my analysis to these two paths. The objective of this section is thus to understand whether the different paths in terms of individual characteristics also affect the dissimilarities between TIEs and DIEs in the role of structural<sup>12</sup> and relational embeddedness<sup>13</sup> when it comes to seizing available opportunities.

##### 6.4.1 Structural embeddedness

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

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

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

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

<sup>13</sup> Relational embeddedness was introduced in Chapter 2 and empirically addressed in Chapter 5. It refers to personal contacts and the relations with and among these.

take advantage of embeddedness in places than are DIEs. Moreover, in terms of markets, TIEs and DIEs do not differ as to the role of structural embeddedness in groups.

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

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

#### 6.4.2 Relational embeddedness

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

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

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

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

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

**Table 6.4** | Business network composition: differences between TIEs and DIEs with similar individual characteristics<sup>14</sup>

	Groups	ConcCity	Relationship	Tie strength
Whole sample	V=0.440**	$\tau$ =0.155**	V=0.195**	$\tau$ =0.008
Path 1: Experience building	V=0.431**	$\tau$ =0.227**	V=0.173**	$\tau$ =0.012
Path 3: #3 Exp-edu merger	V=0.482**	$\tau$ =0.075	V=0.222**	$\tau$ =0.055
Education: high level	V=0.456**	$\tau$ =0.144*	V=0.201**	$\tau$ =-0.013
Education: low level	V=0.387**	$\tau$ =0.185*	V=0.228**	$\tau$ =0.067
Work experience useful	V=0.421**	$\tau$ =0.157**	V=0.178**	$\tau$ =0.000
Work experience not useful	V=0.509**	$\tau$ =0.152*	V=0.266**	$\tau$ =-0.021
Family entrepreneurial background	V=0.407**	$\tau$ =0.193*	V=0.077	$\tau$ =0.028
No family entrepreneurial background	V=0.456**	$\tau$ =0.127*	V=0.287**	$\tau$ =-0.006

Note. 'Whole sample' refers to the association values concerning the comparison between TIEs and DIEs for each variable in the column (without distinguishing for different paths of individual characteristics); 'ConcCity' refers to the alters' concentration in the city of the country of destination<sup>15</sup>.

\*  $p < 0.05$  \*\* $p < 0.01$

**Table 6.5** | Business network structure: type of entrepreneurs (TIEs/DIEs) and network size (linear regression)<sup>16</sup>

Variable	Model 1: main effect		Model 2: Model 1+controls		Model 3: Model 2 + interaction effect	
	B	SE	B	SE	B	SE
Constant	11.758	1.104	9.924	2.005	10.726	1.810
Main effect						
<i>TIE<sup>a</sup></i>	5.667**	1.561	5.459**	1.591	6.042**	1.434
Controls						
<i>High education<sup>b</sup></i>			2.293	1.772	0.139	1.680
<i>Work-experience useful<sup>c</sup></i>			0.484	1.657	-0.154	1.495
<i>Entrepreneurial background<sup>d</sup></i>			-0.006	1.591	-1.886	1.503
Interaction effect						
<i>Path 3<sup>e</sup></i>					7.153**	1.799
R <sup>2</sup>		0.171		0.196		0.364
N		66		66		66

\*  $p < 0.05$  \*\* $p < 0.01$

<sup>a</sup> Reference category: DIE;

<sup>b</sup> Reference category: Low education;

<sup>c</sup> Reference category: Work experience not useful;

<sup>d</sup> Reference category: No entrepreneurial family background;

<sup>e</sup> Education useful\*Work-experience useful. Reference category: Paths 1-2-4.

<sup>14</sup> The complete table is in the Appendix (Annex 3 - Table 7).

<sup>15</sup> In calculating 'ConcCity' I decided to calculate the percentage of contacts living in the ego's city out of the contacts living in the country of destination. I decided to do that in order not to distort the comparison between TIEs and DIEs, since DIEs have a higher number of alters living in the country of destination (see Chapter 5).

<sup>16</sup> All the assumptions of linear regression (e.g. multicollinearity; assumptions about residuals) are met.

**Table 6.6** | Business network composition: type of entrepreneurs (TIEs/DIEs) and network density (linear regression)<sup>17</sup>

Variable	Model 1: main effect		Model 2: main effect+ controls		Model 3: model 2 + interaction effect	
	B	SE	B	SE	B	SE
Constant	0.52	0.048	0.523	0.84	0.53	0.086
Main effect						
<i>TIE</i> <sup>a</sup>	-0.239**	0.066	-0.234**	0.068	-0.230**	0.067
Controls						
<i>High education</i> <sup>b</sup>			-0.079	0.075	-0.094	0.08
<i>Work-experience useful</i> <sup>c</sup>			0.052	0.071	0.045	0.72
<i>Entrepreneurial background</i> <sup>d</sup>			0.31	0.068	0.17	0.72
Interaction effect						
<i>Path 3</i> <sup>e</sup>					0.054	0.087
R <sup>2</sup>		0.173		0.198		0.203
N		64		64		64

\* p&lt;0.05 \*\*p&lt;0.01

<sup>a</sup> Reference category: DIE;<sup>b</sup> Reference category: Low education;<sup>c</sup> Reference category: Work experience not useful;<sup>d</sup> Reference category: No entrepreneurial family background;<sup>e</sup> Education useful\*Work-experience useful. Reference category: Paths 1-2-4.

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

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

## 6.5 Conclusions

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

<sup>17</sup> All the assumptions of linear regression (e.g. multicollinearity; assumptions about residuals) are met.

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

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

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

A second aim of the chapter was to find out whether different individual characteristics influence the dissimilarities between TIEs and DIEs in how they take advantage of their structural and relational embeddedness to identify and seize business opportunities<sup>18</sup> (*How do individual characteristics affect the role of structural and relational embeddedness in identifying and seizing business opportunities?*). From the analysis, it can be concluded that the differences between TIEs and DIEs in the sample regarding how structural and relational embeddedness affects opportunity seizing persist after respondents’ individual characteristics are controlled. Only a few relevant differences emerge. For example, in contrast with the results that emerged when comparing TIEs and DIEs in the whole sample, TIEs and DIEs who take advantage of both past work experience and education do not differ in alters’ spatial concentration. However, the key finding is that in the majority of the cases the dissimilarities between TIEs and DIEs remain similar even when individual characteristics are taken into account. Therefore, apart from the role they play directly in influencing TIEs and DIEs, it would seem that individual characteristics bear a limited influence on differences between TIEs and DIEs when it comes to the role of structural and relational embeddedness in seizing business opportunities.

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<sup>18</sup> As underlined in Chapters 4 and 5.



## Summary

### *Findings*

- a. **Individual characteristics:** TIEs have more business-focused qualifications than TIEs and better linguistic skills. These linguistic skills are usually acquired before the business start-up and allow TIEs to carry out the activities of a cross-border business. Furthermore, TIEs usually have a more pro-active attitude than DIEs. Among TIEs, those who own a consultancy business have higher-level education and linguistic skills.
- b. **Individual characteristics and structural and relational embeddedness:** apart from some exceptions, education and other individual characteristics do not affect the differences between TIEs and DIEs in using structural and relational embeddedness to identify and seize business opportunities.

### *Conclusion*

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

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

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# CHAPTER 7

## Summing up: conclusions and discussion

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What are the factors influencing transnational immigrant entrepreneurship and which resources do transnational immigrant entrepreneurs use to identify and seize opportunities for running their business? How do TIEs differ from DIEs in this regard? Are there similarities or differences among TIEs, and if so, what are they and why do they exist?

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In this dissertation, I address the topic of immigrant entrepreneurship and transnational practices (transnational immigrant entrepreneurship), most particularly how transnational immigrant entrepreneurs (TIEs) identify and seize business opportunities, and what resources<sup>1</sup> they mobilize to that end. In this concluding chapter, an answer to the questions posed in the introduction (see Chapter 1 and box above) will be provided.

In the empirical research, I analysed the case of Moroccan entrepreneurs in Amsterdam and Milan, I compared TIEs and DIEs, and I investigated dissimilarities among TIEs. The general approach was qualitative. However, the questionnaire combined qualitative questions with quantitative measures and techniques from social network analysis. The research consisted in interviewing 70 Moroccan entrepreneurs (30 in Amsterdam and 40 in Milan, 35 TIEs and 35 DIEs), all of whom were selected through a statistically non-representative sampling strategy, but with the aim of making it possible to compare TIEs and DIEs (see Chapter 3).

These conclusions read as follow. The first section (7.1) summarises the model and the concepts proposed in Chapter 2. Then, in order to connect the theoretical approach and the empirical results, the following sections address the main research questions illustrated in the introduction (see also box above). In particular, Section 7.2 focuses on factors that influence transnational immigrant entrepreneurship and resources used by TIEs to identify and seize business opportunities (*Research Question 1*). Section 7.3 highlights differences between TIEs and DIEs in how they identify and seize business opportunities (*Research Question 2*). Section

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<sup>1</sup> Here the term 'resources' should be interpreted in a broad sense, indicating any factors that might be considered a resource by the entrepreneur and might be used for the business. For example, embeddedness in places and groups is considered here as a resource that entrepreneurs use for the business, particularly to identify and seize available business opportunities.

7.4 deals with variations among TIEs with different characteristics, such as the sector and the market they cater to, whether they are 1st or 1.5-generation immigrants, and the city they live in (Research Question 3). Finally, Section 7.5 concludes the chapter and the dissertation with some reflections regarding the strengths, the limitations, and certain research and policy implications of the study.

### **7.1 Theoretical and conceptual advancements: a multifocal model**

The starting point of this thesis is a conceptual model for understanding transnational immigrant entrepreneurship. This model is based on three schemes previously developed by scholars in the field of immigrant entrepreneurship - the interactive model (Waldinger *et al.*, 1990), the mixed embeddedness approach (Kloosterman *et al.*, 1999; Kloosterman & Rath, 2001), and the integrative model (Chen & Tan, 2009) -, but it also adds some key concepts.

The conceptual model rests on the assumption that we should take into account multiple places (not only the country of destination), different spatial scales, and different groups (not only the co-national group) to understand transnational entrepreneurial activities run by immigrants. To this end, I propose the concept of *multifocality*, which refers to *simultaneous links with multiple places and groups*. Concretely, this means that migrants take into account multiple places and groups for their entrepreneurial activities. Starting from this, I propose to add a new sphere to the two already illustrated in the literature (i.e. the political-institutional context and the economic context - see Schutjens, 2014). This new sphere is group modes of behaviours, namely the set of habits, role models and attitudes that are distinctive to a certain group. Examples of such modes of behaviour are consumer habits and entrepreneurial conducts.

Concerning how transnational entrepreneurs identify and seize business opportunities, i.e. the central topic of this research, the model identifies three processes involved. The first is linked to structural embeddedness, the second to relational embeddedness, and the third to individual characteristics. Structural embeddedness refers to profound and direct understanding of the features of places and groups. Relational embeddedness refers to embeddedness in social networks, and in particular to ego's contacts, as well as relations with and among these contacts. The category of individual characteristics includes the entrepreneur's skills (such as level of education and language skills), experiences (such as past work experience) and attitudes (e.g. pro-activeness).

Therefore, transnational immigrant entrepreneurs (TIEs) may be able to identify and exploit opportunities thanks to a deep understanding of, and integration in, the places and groups that they are connected with (structural embeddedness). The opportunities may also be recognised due to certain key contacts (relational embeddedness). Finally, individual characteristics can provide the 'tools' to identify and seize available opportunities.

### **7.2 Immigrant entrepreneurs who run a cross-border business (TIEs)**

The main contribution of my study is to understand the mechanisms behind the entrepreneurial practices of transnational immigrant entrepreneurs (TIEs), an emerging category of

immigrant entrepreneurs in contemporary society. This seems particularly interesting if we wish to understand how ongoing global processes (increased possibilities for international communication and travel) shape immigrant entrepreneurial choices and how immigrant entrepreneurs take advantage of these processes.

Concerning transnational immigrant entrepreneurship, as stressed by previous schemes and by the encompassing conceptual model introduced in Chapter 2, this clearly emerges - even more so than for immigrant entrepreneurship in general (see Section 7.3) - from the combination of contextual characteristics on the one hand, which create opportunities, and the entrepreneurs' resources (structural embeddedness, relational embeddedness, individual characteristics) on the other hand, which help identify and seize available opportunities. It follows that taking into account only one aspect (e.g. individual resources and contacts) of this combination would not have permitted to fully understand the processes involved in transnational immigrant entrepreneurship (i.e. opportunity seizing).

Regarding opportunity structure, in order to set up cross-border businesses, TIEs combine opportunities from different places. These opportunities are represented mainly by group modes of behaviours and the economic context of certain places. TIEs usually take into account different countries on multiple spatial scales. In particular, rather than considering only the country of destination (in our case, Italy or the Netherlands) and their country of origin (Morocco), they also focus on third countries, so they usually combine more than two countries (see Chapter 4). Therefore, they are multi-focal on a national scale, meaning they have links with multiple places, rather than bi-focal, as suggested by most of the existing literature (Vertovec, 2001; Portes *et al.*, 2002; Levitt & Jaworsky, 2007). This multifocality is fundamental, since in the majority of cases connecting two countries would otherwise be insufficient for the purposes of implementing a cross-border business (see Chapter 4).

Besides this, TIEs also take advantage of opportunities located on different spatial scales, e.g. national, regional and local - city and neighbourhood - (multiscalarity). For example, many consultancy agencies exploit the fact that Italian and Dutch companies wish to penetrate the growing Moroccan market (opportunity on a national scale). Another example is a concentration of co-nationals (with their needs and habits) in a given city or neighbourhood providing the entrepreneurs with a market where they can sell their imported products (opportunity on a local scale).

However, when they consider group characteristics and modes of behaviours, TIEs mainly focus on their co-nationals, and are therefore mainly mono-focal when it comes to groups. In contrast with what the conceptual model suggests, TIEs are multi-focal only with regard to places, and not groups.

Given available opportunities, how do TIEs identify and seize these opportunities? Which resources are used to identify and seize opportunities? The conceptual model presented in Chapter 2 mainly includes three kinds of entrepreneurial resources: structural embedded-

ness, relational embeddedness, and individual characteristics (see Chapter 2 and Section 7.1). This is empirically confirmed. They use a mix of resources in order to identify and seize business opportunities. The immigrant entrepreneurs with this mix of resources seem more likely than others to be involved in transnational entrepreneurial activities (see also Section 7.3).

Due to their direct understanding of places and group characteristics and conditions (structural embeddedness), TIEs are able to identifying and seize available business opportunities. Even though they take multiple places into account to do so, they usually exploit their embeddedness in their country of destination and their country of origin. However, due to their awareness and understanding of the habits and needs of the Moroccan diaspora in Europe (i.e. their structural embeddedness in the co-national group), to a certain extent they are also embedded in third countries (particularly in European countries where Moroccan immigrants are present, e.g. France and Belgium).

However, the precise relevance of structural embeddedness is not always the same among TIEs. Those who focus only on Morocco and their country of destination - namely, those who are bi-focal (indeed a minority in our study, see Chapter 4) - are among the respondents who take greater advantage of their structural embeddedness in places (e.g. Morocco and their country of destination) and groups (e.g. co-nationals), compared to multi-focal TIEs. Logically, since Morocco and Moroccan immigrants are the core of bi-focal TIEs, structural embeddedness in Morocco and in the co-national group is more important for them than for those who also have connections with other, third countries.

In comparison to the previous literature, this study confirms the importance of embeddedness (re-defined here as structural embeddedness) in the contexts where the business operates (Sequeira *et al.*, 2009; Urbano *et al.*, 2010). However, if we consider embeddedness in groups, the model introduced in Chapter 2 does not fit what emerges from the empirical data. Indeed, the model implies embeddedness in multiple groups, for which the interviews provided no evidence.

TIEs also need to have a given set of social contacts in order to identify and seize the 'right' opportunities to run a transnational business. Indeed, the entrepreneurs' contacts, constituting their social networks, as well as their embeddedness in these networks (relational embeddedness), are important tools used to identify and seize business opportunities. TIE networks are generally not very dense, and they are rich in structural holes (Burt, 1992). They take resources from different, non-homogenous contacts. In other words, they make use of what the literature calls their 'bridging social capital' (Putman, 2000; Adler & Kwon, 2002; Baron, 2015).

In particular, they have links with Moroccans - who are mainly located in their country of destination and Morocco -, natives of their country of destination, and people of other nationalities who live abroad. In order to identify and seize opportunities, TIEs use both weak ties, namely people with whom the entrepreneurs have no emotionally-close relations (Granovetter, 1973 and 1983), in particular, exclusively work-related contacts, and strong ties (i.e.

mainly relatives, but also friends) to identify and exploit available opportunities. This is consistent with research results on both entrepreneurship in general (Uzzi, 1996; Davidsson & Honig, 2003) and immigrant entrepreneurship (Wong & Ng, 2002; Kariv *et al.*, 2009; Patel & Terjesen, 2011), but was not expected, since TIEs have rather heterogeneous networks. This can be explained by many strong ties being what allows TIEs to bridge different contacts and opportunities. As also underlined for example by Jack (2005) concerning entrepreneurship in general, strong ties can represent a way to link with weak ties operating in a wider social context (e.g. outside the country of destination). Therefore, TIEs appear to take advantage of heterogeneous and geographically-dispersed contacts. This follows the results of Patel and Conklin (2009), who underlined that TIEs take advantage of balancing their networks in terms of the geographic location and the status of their contacts.

Most of these contacts were already present in the entrepreneur's network before the business start-up, and so were not acquired in connection with the business. This is a new finding, since previous studies have generally not considered temporality, and it underlines the fact that their networks led Moroccan entrepreneurs to internationalise their business, and not the other way around.

Concretely, TIEs get support from their contacts in three different ways in order to identify and seize opportunities. First, the most important support received from their network is informational. The information provided is fundamental since TIEs cannot be expected to be aware of all the opportunities located everywhere. Therefore, thanks to their geographically-dispersed network, they receive information about a wide range of places. Second, strong ties (mainly relatives) help TIEs to manage the foreign side of their business. Since TIEs are not physically present in those contexts, they often need someone they can trust to help them. This support is crucial and allows TIEs to be involved in several places at once and, consequently, to identify and seize opportunities in more places than they would otherwise. Third, contacts often support TIEs financially. The findings underline the fact that suppliers often help entrepreneurs by allowing them to delay payment for the products provided. This allows entrepreneurs with limited financial resources to seize opportunities by starting to satisfy a certain request for products or services (e.g. a demand for goods from their country of origin) and, consequently, to internationalise their business.

Apart from structural and relational embeddedness, it clearly emerges from the interviews that TIEs need to have certain individual characteristics that allow them to identify and seize business opportunities. In particular, education, past work experience, or an entrepreneurial family background provide them with the basis for running their business. TIEs generally need to have an education that has allowed them to acquire the skills necessary to manage an international business. Furthermore, it appears that past work experience and family entrepreneurial background increase awareness of opportunities in a particular business sector. As stressed in the literature (Rusinovic, 2008; Terjesen & Elam, 2009), linguistic skills (mainly Arabic, French

and English) are also fundamental, since they provide a 'transnational linguistic capital' (Gerhards, 2012) that allows TIEs to identify and seize available opportunities abroad. For example, without their knowledge of Arabic, they would not be able to take advantage of the MENA (Middle-East and North-African) market. Finally, TIEs also have a certain degree of pro-activeness. For example, they strongly invest in individual research to identify business opportunities.

In conclusion, comparing the model presented in Chapter 2 and the empirical findings on transnational immigrant entrepreneurs, the results largely match the conceptual model proposed. In particular, the importance of stressing the role played by group modes of behaviours in creating opportunities that TIEs can seize is confirmed by the empirical data. Also confirmed are the relevance of multiple places and different spatial scales (multifocality and multiscalarity), as well as the role played by both structural and relational embeddedness to explain how entrepreneurs identify and seize business opportunities. However, regarding the role of groups, the conceptual model suggests a multi-group influence on transnational business practices, but this is not totally supported by the results. Indeed, when it comes to groups, Moroccan TIEs almost exclusively focus on opportunities linked to their co-nationals, and they take advantage of structural embeddedness only with respect to the co-national group. Therefore, the concept of multifocality, which is linked to both places and groups in the model, seems to be valid only in connection with places.

### **7.3 Differences and similarities between TIEs and DIEs**

The thesis also explores differences between TIEs and DIEs. The results show that TIEs and DIEs have different profiles, albeit with some similarities. In general, in comparison with DIEs, TIEs in the sample seem to make more frequent use of their 'mixed embeddedness', thereby taking advantage of the interplay between the opportunity structure and their personal characteristics and contacts. Indeed, TIEs generally seize opportunities in the contexts where they have connections, whereas only DIEs in the ethnic market take advantage of contextual opportunities. DIEs in the mainstream market generally appear to be disconnected from the opportunities created by specific contextual conditions.

Besides this difference, TIEs and DIEs also diverge in the places (and the number of places) that they consider when it comes to seizing business opportunities. DIEs only take advantage of opportunities located in their country of destination, mainly on a local scale (their neighbourhood and their city of destination). Therefore, they are mono-focal and mono-scalar with regard to places. TIEs on the other hand benefit from opportunities located in multiple places - their country of destination, that of origin and third countries - (multifocality) on different spatial scales (multiscalarity). However, both TIEs and DIEs mainly deal with opportunities created by the presence of their co-nationals, and are thus mono-focal when it comes to groups.

Their structural embeddedness in these places and groups helps TIEs (in general) and DIEs (in the ethnic market) to identify and seize business opportunities. Apart from this em-



beddedness in the co-national group that is common to both categories of immigrant entrepreneur, TIEs take advantage of their structural embeddedness in both their country of destination and their country of origin, whereas DIEs exploit their structural embeddedness only in their country of destination.

TIEs show greater diversity in the resources they use to identify and seize business opportunities, and this is particularly true regarding their embeddedness in social networks (i.e. their relational embeddedness). TIEs identify and seize opportunities by bridging several different types of social contacts (in terms of the contacts' country of origin and residence). Their networks are less homogeneous, less spatially-concentrated and less dense, and this provides TIEs with a variety of resources and contacts. In contrast, DIEs tend to establish connections only with similar social contacts located in their country of destination. This is consistent with Portes and colleagues (2002), who stress the fact that DIEs are entrepreneurs with contacts within the city where they set their business. Such differences between TIE and DIE networks predate the business, in that the contacts that TIEs acquired before they started their business were already less homogeneous and less spatially concentrated than those of DIEs in the same situation.

But network structure and composition are not the only aspects differentiating TIEs and DIEs, as the role played by people in their networks also varies greatly. The contacts of TIEs have a more relevant role than those of DIEs. They provide important information regarding opportunities, and they support the entrepreneur in managing the foreign side of the business. In other words, TIEs would not be able to run a cross-border business without the help of these contacts. In contrast, the contacts of DIEs mainly provide advice regarding bureaucracy and, occasionally, labour support.

Moreover, TIEs and DIEs also differ in the way they use their individual characteristics for the purpose of identifying and seizing business opportunities. TIEs seem to take advantage of better-focused degrees (e.g. Economics, Management, International entrepreneurship), while DIEs generally exploit the fact of being well-educated for the purpose of better understanding how to deal with bureaucracy. TIEs also appear to be more pro-active than DIEs, something that emerges for example looking at how they use any entrepreneurial background in their family. DIEs are more likely to follow into the family footsteps. They either go on with the family business or they start a new one in exactly the same field. By contrast, TIEs may start from the family path, but they try to expand the business, for instance by crossing borders. TIEs also have better linguistic skills than do DIEs, and this helps them identify and seize new business opportunities all around the world. Our interviews highlighted the fact that these linguistic skills were usually acquired well-before the start-up of the cross-border business.

To summarise, TIEs and DIEs appear to differ in the broadness of their scope when it comes to identifying and seizing business opportunities, as can be seen from their level of structural and relational embeddedness. Furthermore, they also diverge in some of their per-

sonal characteristics and how they use them. However, as underlined in Chapter 6, education and other individual characteristics do not affect differences between TIEs and DIEs in terms of using structural and relational embeddedness to identify and seize business opportunities. In other words, even when controlling for individual characteristics, the effects of structural and relational embeddedness on the business practices of immigrant entrepreneurs still hold.

As for how differences between Amsterdam and Milan might impact on the dissimilarities between TIEs and DIEs, these seem to fundamentally affect only the spatial concentration of the entrepreneurs' contacts. Since the Netherlands is smaller than Italy, and Northern-Holland does not share the strong productive structure that characterises Lombardy (i.e. an economic fabric made up of small- and mid-sized businesses), DIE contacts do not follow the pattern of being more spatially concentrated in the region and in the city of destination, as is the case for the whole sample.

#### **7.4 Different profiles of transnational immigrant entrepreneurship**

The results of the research also highlight the fact that there are some differences among TIEs. Two different contrasting profiles emerge. The first profile (Profile 1) is characterised by TIEs who strongly stress the entrepreneurial aspects of their migratory journey. The second (Profile 2) is particularly linked to emphasizing their profile as migrants.

In the sample, TIEs with a business in the service sector and/or serving a mainstream market more frequently fit in Profile 1 (stressing the entrepreneurial experience), whereas TIEs who run a business offering goods (import/export) and/or serving an ethnic market are more likely to fit in Profile 2 (stressing the immigration experience). Furthermore, 1.5-generation respondents and Amsterdam ones generally fit in the first profile, while first-generation interviewees and those in Milan are more likely to be included in the second.

Nevertheless, the main factor that seems to influence the two profiles is education. As the interviews show, higher-educated entrepreneurs are more likely to set up a business in the mainstream market and in the service sector than lower-educated ones. Therefore, education influences both sector and market choice, and thus the fact of falling into Profile 1 or Profile 2. Another key element is the city where the business is located. The production system of Milan and Lombardy appears to favour the start-up of goods-related businesses. In contrast, Amsterdam's strong services sector leads TIEs to be more involved in consultancy agencies (see Chapter 3).

In general, TIEs who stress the entrepreneurial experience (Profile 1) usually follow the 'breaking-out' process underlined in the literature (Ram & Hillin, 1994; Engelen, 2001; Barret *et al.*, 2002; Kloosterman & Rath, 2010; Arrighetti *et al.*, 2014). They are not part of the ethnic enclave (Wilson & Portes, 1980) and they focus less on Morocco; they also mainly take advantage of business contacts outside the family and, partially, outside the group of their co-nationals. In contrast, TIEs in Profile 2 (those who stress their immigration experience) remain strongly connected to their origins and do not follow this breaking-out process.

In particular, the two profiles differ concerning three main elements:

- Compared to entrepreneurs in Profile 1 (those who stress their entrepreneurial experience), respondents in Profile 2 (those who stress their immigration experience) more frequently take advantage of their co-nationals' modes of behaviours and are more likely to seize opportunities brought about through their structural embeddedness in the Moroccan group. TIEs in Profile 2 also have a higher number of business links with Morocco than TIEs in Profile 1.
- TIEs in the second profile (stressing the immigration experience) rely less on exclusively work-related contacts and weak ties, and more on relatives; they also have a higher number of co-nationals in their business networks than those who fall in the first profile. However, this difference appears relevant only if TIEs are sorted by the market addressed (ethnic or mainstream).
- TIEs in Profile 1 (i.e. the entrepreneurial profile) appear to be more skilled than TIEs from Profile 2, since they have better linguistic abilities and a more business-focused education. Furthermore, when it comes to their entrepreneurial path and how they identify and seize business opportunities, Profile 1 TIEs rely more on education, whereas those in Profile 2 more often take advantage of their entrepreneurial family background.

The research also underlines certain dissimilarities between TIEs in Amsterdam and Milan. The different contextual conditions in the two cities produce differences in transnational entrepreneurial activities. In particular, characteristics such as productive regional fabric are less relevant in Amsterdam than in Milan (Chapter 3). For this reason, TIE contacts in Milan are more concentrated in Lombardy than those in Amsterdam are concentrated in Northern-Holland. Indeed, the business connections of Amsterdam entrepreneurs are more widely spread all around the country. Interviewees in Milan often stress the importance of the production environment in the city, whereas Amsterdam respondents do not.

Embeddedness in their co-national group leads TIEs in Milan to maintain business contacts with those European countries where the presence of Moroccan immigrants is particularly relevant (e.g. France and Belgium). This is not the case in Amsterdam. It is possible to hypothesise that since there are many more people with a Moroccan background in Amsterdam (see Chapter 3) than in Milan, TIEs in the Dutch city tend to focus more on the internal market. This is confirmed by interviewees, who often refer to the many opportunities for Moroccans in the Netherlands.

## **7.5 Some reflections on the study's strengths, limitations, and research and policy implications**

To conclude, this research contributes to the field of immigrant entrepreneurship, and in particular transnational immigrant entrepreneurship. The thesis provides a conceptual step forward by proposing a partially new conceptual model based on the concepts of multifocality and structural and relational embeddedness (see section 7.1), and represents one of the

first attempts in the field (another was Rusinovic, 2008a) to apply the mixed embeddedness approach to the study of transnational immigrant entrepreneurship.

Consequently, at an empirical level, the study also represents an endeavour in taking into account different elements that may influence transnational immigrant entrepreneurship (as well as immigrant entrepreneurship in general). Indeed, I have considered the individual level, i.e. individual characteristics and personal contacts (social network), and the level of contextual conditions and opportunities. So far, apart from a few exceptions (e.g. Portes *et al.*, 2002; Brzozowski *et al.*, 2014), the existing literature on transnational immigrant entrepreneurship has focused either on individual characteristics and social networks (e.g. Portes *et al.*, 2002; Kariv *et al.*, 2009; Sequeira *et al.*, 2009; Patel & Conklin, 2009; Terjesen & Elam, 2009), or, separately, on contextual conditions and opportunities (e.g. Miera, 2008; Urbano *et al.*, 2011).

Another substantial contribution of this thesis to the field of transnational entrepreneurship is the systematic comparison between TIEs and DIEs, a point which to my knowledge has only ever been addressed by Portes and colleagues (2002). Comparing TIEs and DIEs helps uncover the specific characteristics of transnational entrepreneurs as a group. As for how TIEs identify and seize opportunities, the study also emphasises that there are some dissimilarities among them, with respect to generation, city of residence, and market and sector addressed.

Finally, the research also provides a contribution from a methodological point of view, since a qualitative approach using mixed-method questions and measures was applied. This is a novel approach, since I used a threefold combination: qualitative questions, quantitative measures and techniques from personal network analysis. The 'mix' of these allowed me to capture different aspects and processes regarding the topic under examination.

The thesis, and in particular the empirical research on which it is based, also has some limitations, mainly due to the fact of addressing one specific group of immigrants. The focus on one group, in particular Moroccan immigrants, may have led to certain particular results. In fact, as underlined by Portes and colleagues (2002), different national groups can develop different transnational and entrepreneurial activities. For example, I found that Moroccan entrepreneurs have links abroad with third countries and not only with Morocco. This might be influenced by three factors. First, Moroccan immigrants are spread all around Europe (Belgium, France, Italy, Spain and the Netherlands) and therefore Moroccan entrepreneurs can easily have contacts with co-nationals in those countries. Second, Moroccans know the Arabic language, and this allows them to have business links with other countries in North Africa and the Middle East. The findings regarding other national groups might be very different in this regard. Third, Morocco is a country with a stable political situation and a growing economy (Arief, 2015). This may have increased the number of links with the country of origin. For example, Brzozowski and colleagues (2014) found that immigrant entrepreneurs benefit from ties with their country of origin only if the economic and political situation is relatively stable. Therefore, as underlined also by Portes and colleagues (2002), the prevailing conditions in the country of origin are fundamental when it comes to developing a cross-border business.

Because of these limitations and as with any investigation, my research also leaves some open questions that could serve as the basis for subsequent studies on the topic. Concerning the future direction of such research, other studies analysing the empirical application of the conceptual model proposed and the concepts illustrated in this dissertation would be particularly useful for the field. The empirical results of the research show the relevance - although with some limitations (see Section 7.2) - of the model proposed in Chapter 2 (see also Section 7.1), and, in particular, the concepts of multifocality and structural and relational embeddedness as tools for understanding the entrepreneurial practices of transnational immigrant entrepreneurs. However, other studies - using both qualitative and quantitative methods - are necessary to further test the model and the explicative power of the concepts.

Moreover, additional research is required regarding differences, in terms of transnational immigrant entrepreneurship, between various national groups of immigrants in a European context. In fact, most studies focus on a single group of immigrant entrepreneurs (e.g. Moroccans), generally in one context. Moreover, in order to understand the impact of the conditions prevailing in the country of origin, I think it is necessary to compare national groups with different situations in their country of origin (e.g. stable vs. unstable political situations) and different 'integration' and/or residential patterns (concentration and segregation vs. dispersion and insertion).

My research also illustrates certain findings regarding temporality and causality. Indeed, it seems that, before the business start-up, TIEs already have a number of key contacts abroad and certain skills (e.g. linguistic skills) that they use when they decide to start their cross-border business. However, I retraced this through some questions regarding the past. In this regard, a longitudinal study would shed further light on the dynamics at play between entrepreneurial profile and transnational immigrant entrepreneurship, and would determine whether certain skills and contacts effectively predate the decision to start a cross-border business or if these are acquired through the entrepreneurial activity. This would be particularly interesting because the literature on business internationalization has emphasised the dynamic use of social networks (Agndal *et al.*, 2008).

The study presented here focuses only on first- and 1.5-generation immigrants. In this regard, another open question - which was partially addressed by Rusinovic (2008) - would be how people who were born in a given country but whose origins are in another (second-generation immigrants) deal with a cross-border business, e.g. whether they focus on their country of origin or choose to concentrate on third countries.

Finally, the findings illustrated in this dissertation also have policy implications. In the text, I only touched upon the profitability of transnational immigrant entrepreneurship in comparison to immigrant entrepreneurship in general. However, as evidenced from my research, TIE businesses seem more profitable than DIE businesses, and they seem to have a stronger capacity for resilience when there is an economic crisis (see Chapter 5).

The whole study clearly underlines the fact that transnational entrepreneurial activities

represent a way to use their 'immigrant' background in a different way, and to value the resources that they already have (e.g., experience in multiple contexts, contacts all around the world, linguistic skills). This implies that policies could foster this particular form of immigrant entrepreneurship in order to lead immigrants to employ the resources they already have to start-up profitable small businesses and, consequently, achieve better economic integration in their chosen country. For example, a way to promote transnational immigrant entrepreneurship may be to create transnational incubators, i.e. business incubators geared to fostering business start-ups linked to the immigrants' country of origin<sup>2</sup>.

Besides this, my research clearly shows that, as in the case of international entrepreneurship in general, linguistic skills are fundamental. In particular, they are crucial in order to avoid a 'loop' involving the country of destination and the country of origin, and to facilitate business links with third countries. Therefore, a policy target should be the stimulation and improvement of immigrants' linguistic skills (for example, through language courses).

In conclusion, this dissertation has dealt with the topic of immigrant transnational entrepreneurship, by comparing Moroccan TIEs and DIEs in Amsterdam and Milan. In particular, it provides new insights regarding how transnational immigrant entrepreneurs identify and seize business opportunities, and traces a profile of transnational immigrant entrepreneurs.

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<sup>2</sup> In this regard, an interesting experience was that of IntEnt which aimed to foster international entrepreneurship between the Netherlands and Morocco, Ghana and Suriname (see Rieddle *et al.*, 2010 and 2011).







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# APPENDIX

## Annex 1 – Interviewees

Legend				
Type of entrepreneur	TIE: Immigrant entrepreneur with a cross-border business DIE: Immigrant entrepreneur with a domestic business			
City	AM: Amsterdam MI: Milan			
Code	City	Gender	Business description	Type of entrepreneur
<i>A01</i>	AM	M	Fish shop	DIE
<i>A02</i>	AM	M	Bakery	DIE
<i>A03</i>	AM	M	Mini market	DIE
<i>A04</i>	AM	M	Tour operator	TIE
<i>A05</i>	AM	M	Arab dress and perfumes	TIE
<i>A06</i>	AM	M	Taxi business	DIE
<i>A07</i>	AM	F	Hairdresser	DIE
<i>A08</i>	AM	F	Arab dress and clothes	TIE
<i>A09</i>	AM	M	Consultancy; energy drink export	TIE
<i>A10</i>	AM	F	Sport association	DIE
<i>A11</i>	AM	M	Consultancy	TIE
<i>A12</i>	AM	F	Marketing and service provider	DIE
<i>A13</i>	AM	M	Import	TIE
<i>A14</i>	AM	M	Consultancy	TIE
<i>A15</i>	AM	M	Bakery	DIE
<i>A16</i>	AM	M	Media broadcast	DIE
<i>A17</i>	AM	M	Consultancy	TIE
<i>A18</i>	AM	F	Traditional Moroccan women's clothing	TIE
<i>A19</i>	AM	M	Grocery	DIE
<i>A20</i>	AM	M	Interior & furniture fabrics. Moroccan lifestyle	TIE
<i>A21</i>	AM	M	Mediterranean food store	DIE
<i>A22</i>	AM	F	Online fashion shop and consultancy	TIE
<i>A23</i>	AM	M	Mediator and sale-assistant business	TIE
<i>A24</i>	AM	M	Website info on Morocco – mediator/consultancy	TIE
<i>A25</i>	AM	M	Business in solar energy industry	TIE
<i>A26</i>	AM	M	Import/Export Business	TIE
<i>A27</i>	AM	M	Restaurant	DIE
<i>A28</i>	AM	M	Grocery	DIE
<i>A29</i>	AM	F	Nursing company	DIE
<i>A30</i>	AM	M	Bakery	DIE

## APPENDIX

Code	City	Gender	Business description	Type of entrepreneur
<b>M01</b>	MI	M	Export of Italian clothes, shoes and Textiles	TIE
<b>M02</b>	MI	F	Production and trade of dresses (fashion industry)	TIE
<b>M03</b>	MI	M	Retail of Moroccan clothes and bazaar products	TIE
<b>M04</b>	MI	M	Import and export of Textiles, kitchenware, bazaar, etc.	TIE
<b>M05</b>	MI	M	Import/export of fruits and vegetables	TIE
<b>M06</b>	MI	M	Import of fruits	TIE
<b>M07</b>	MI	M	Import/export of Chinese Tea and Italian clothes and textiles	TIE
<b>M08</b>	MI	F	Production and Export of kosher products	TIE
<b>M09</b>	MI	F	Export of Italian machinery	TIE
<b>M10</b>	MI	M	Export of hydraulic and construction products	TIE
<b>M11</b>	MI	F	Import and retail of Arab clothes for women	TIE
<b>M12</b>	MI	M	Italy-Morocco courier	TIE
<b>M13</b>	MI	M	Wholesale of Arab salons and sofas (production and export)	TIE
<b>M14</b>	MI	M	Retail of Moroccan foods and herbs (import)	TIE
<b>M15</b>	MI	F	Consultancy/Translations	TIE
<b>M16</b>	MI	M	Wholesale of Arab sofas (production and export)	TIE
<b>M17</b>	MI	M	Consultancy for the export of Italian machinery and other products	TIE
<b>M18</b>	MI	M	Household products	TIE
<b>M19</b>	MI	M	Itinerant retail of non-food products	DIE
<b>M20</b>	MI	F	Retail of halal meat and Moroccan foods	TIE
<b>M21</b>	MI	M	Itinerant retail of fruits and vegetables	DIE
<b>M22</b>	MI	M	Itinerant retail (household products)	DIE
<b>M23</b>	MI	M	Itinerant retail of textiles	DIE
<b>M24</b>	MI	M	Itinerant retail of children's clothing	DIE
<b>M25</b>	MI	M	Itinerant retail of fruits and vegetables	DIE
<b>M26</b>	MI	M	Handyman	DIE
<b>M27</b>	MI	M	Itinerant retail of clothes for children	DIE
<b>M28</b>	MI	M	Phone centre	DIE
<b>M29</b>	MI	M	Greengrocery (retail of fruits and vegetables)	DIE
<b>M30</b>	MI	F	Café	DIE
<b>M31</b>	MI	M	Retail of Arab sofas and curtains	DIE
<b>M32</b>	MI	M	Minimarket and Halal butcher	DIE
<b>M33</b>	MI	M	Construction company	DIE
<b>M34</b>	MI	F	Bakery	DIE
<b>M35</b>	MI	F	Cleaning company	DIE
<b>M36</b>	MI	M	Electrician	DIE
<b>M37</b>	MI	M	Hairdresser	DIE
<b>M38</b>	MI	M	Café	DIE
<b>M39</b>	MI	M	Hairdresser	DIE
<b>M40</b>	MI	M	Consultancy/Translations	TIE

# Annex 2 - Questionnaire

v1 Interview number: |\_|\_|\_|\_|

(M if it is performed in Milan, A in Amsterdam; example:M01)

v2 Name (no Surname): \_\_\_\_\_

v2.2 Are you born in Morocco?

1. Yes

v2.3 Are you of Moroccan nationality?

1. Yes

v3 City:

1. Amsterdam
2. Milan

v4 Business (short description): \_\_\_\_\_

v4.1 Business Type:

1. (Potentially) transnational (for example: import/export)
2. Not transnational

v5.1 What kind of product/service do you offer?

1. Ethnic (eg. specific traditional products of the country of origin, like *hallaal* meat)
2. Conventional (eg. Phone cards)

v5.2 What kind of market do you have?

1. Ethnic (foreigners only)
2. Mixed (foreigners but also natives)
3. General (all people)

v6 Where do you live (district)? \_\_\_\_\_

v7 Business' Address \_\_\_\_\_

v8 Is there a relevant part of your business related with your country of origin or with other countries outside Italy/Netherlands?

0. No
1. Yes

v9 To what extent does the success of your business depend on regular contacts with people (or other companies) in your country of origin or located in other countries (no country of immigration)?

0. Does not depend at all
1. Depends somewhat
2. Depends much/very much

D1 (ref to v8 e v9) Why?

## Country of origin section

*Now we talk about your country of origin ...*

D2 Please describe the situation of your country when you decided to leave it.

v10 Are there any problems in the economic situations which led you to leave your country? If yes, which ones? Why?

- 0. No
- 1. Yes

v11 Are there any problems in the political situation which led to leave your country? If yes, which ones? Why?

- 0. No
- 1. Yes

D3 Please describe the economic situation of your city/region when you decided to leave it.

v12 What were you doing before you left Morocco?

- 1. Studying
- 2. Working
- 3. Out of work/unemployed

D4 (If 2 to v12) What kind of work you did before? In what sector? 9- Didn't work

v13 (If 2 to v12) Was it (more or less) the same sector than the current one?

- 0. No
- 1. Yes
- 9. Not working

v14 (If 2 to v12) Were you an entrepreneur/self-employed worker yet?

- 0. No
- 1. Yes
- 9. Not working

v15 (If 2 to v12) Was the home-country work experience useful to start and to develop the current business? If yes, why and how?

- 0. No
- 1. Yes

v16 (if yes to v14) Was the previous experience as self-employed useful to start the current business? If yes, why and how?

- 0. No
- 1. Yes

## Before the business... (in Italy/the Netherlands)

v17.1 Year of arrival in Italy/Netherlands: |\_|\_|\_|\_|\_|\_|\_|\_|

v17.2 Year of arrival in Amsterdam/Milan: |\_|\_|\_|\_|\_|\_|\_|\_|



v22 In particular, which of this qualities did you led to choose this place for the business? (max two answers v22.1/v22.2)

1. Accessibility by private means of transportation (car, motorbike) or public transport (bus, tram etc.)
2. Strategic position (e.g.: near the train station, popular street)
3. Proximity to the suppliers
4. Low rent
5. I live here, in this district
6. Favorable district's population composition (e.g. immigrants - for "ethnic business")
7. I like the district
8. Other reason (specify v22.3)

D12 Did any specific situations of the context of your country of origin influence your decision to start this business? What are they? Why?

D13 Did any specific situations of the context of your city of origin influence your decision to start this business? What are they? Why?

D14 Are there any characteristics of your group of co-ethnics that influenced you in your business? For the business, do you rely on your co-ethnics? If yes, why and how?

D15 For the star-up of your business did you received some financial or other support(for example through announcements) from public authorities/institutions (e.g. city council) or private (eg. Banks, chamber of commerce) or non-profit organizations? To finance what?

D16 In particular, did you receive loans thanks to microcredit?

v23 What were the main difficulties you encountered for the start-up of the business? (max two answers v23.1/v23.2)

1. Obtaining information
2. Problems with bureaucracy
3. Problems with the initial investment: I had not sufficient money to open the business
4. Access to credit (problems in getting a loan, etc..)
5. Authorities' checks
6. Difficulties in entering in the market (e.g. at the beginning I have few customers)
7. Recruiting qualified staff
8. Language difficulties
9. Other (specify v23.3)
10. No difficulties



D17 For the start-up of the business have you ever received help from someone? What kind of help?

Kinds of help: economic (money loans, giving credit to you), informational (indicating how to face the bureaucracy, advices for the business –e.g. signaling suppliers), labor help (free labor), for the location choice.

In particular help from:

- family
- friends
- Moroccan people
- natives
- other people

*Let's talk now about your consolidation of the business and the current situation...*

D18 First, please describe me in detail the activity of your business.

D19 (if yes to v8) Describe in detail the part of your business connected with/located in your country of origin/other countries.

D20 (if yes to v8) With which countries do you have links for the business? Why did you choose it/them?

D21 (if yes to v8) Why did you decide to start a business that takes advantage of the connections with the home country/other countries (not the host country)?

v24 – Is it to exploit the needs of my co-ethnics/other immigrants? If yes, why?

0. No
1. Yes

v25 Is it to exit from a situation of high competitiveness of other sector (because there are a lot of other entrepreneurs)? If yes, why?

0. No
1. Yes

D22 (if yes to v8) Where did you find the information (market knowledge) for the identification of no-Italian/Dutch market opportunity (internationalization)? How is information about international market opportunities obtained? Do you have direct market knowledge or someone provided you information? If someone provided you information could you tell me who these persons are? Where do they live?

v26 (if yes to v8) How much is it useful for the internationalization of the business...

	Not at all	Little	Moderately	A lot
v26.1 Previous personal and work experience	0	1	2	3
v26.2 Individual research	0	1	2	3
v26.3 Close relatives (parent, son, sibling, grandparents)	0	1	2	3
v26.4 Other relatives	0	1	2	3
v26.5 Moroccan people (no relatives)	0	1	2	3
v26.6 Italian/Dutch people	0	1	2	3
v26.7 (Local) public entities	0	1	2	3

D23 Now for the current state of the business, are there any opportunities of Milan/Amsterdam you take advantage? If yes, which ones?

D24 Now for the current state of the business, are there any opportunities of your country/city of origin you take advantage? What are they? Why?

D25 Currently, does anyone provides assistance/help for your business? Are there differences with the start-up? Why?

v27 For the business, is it fundamental the use of the new technologies (e.g. internet)? If yes, how and why?

0. No  
1. Yes

v28.1 What language(s) do you speak at work?

Language	No	Yes
v28.1.1 Italian/Dutch	0	1
v28.1.2 Your own language (e.g. Arabic, Berber)	0	1
v28.1.3 English	0	1
v28.1.4 French	0	1
v28.1.5 Other foreign language	0	1

v28.2 What language do you mainly speak at work? Why?

1. Italian/Dutch
2. Your own language (e.g. Arabic, Berber)
3. English
4. Other foreign language (specify v37.2.1)

v29 How many partners do you have for your business? What is their contribution to the business? |\_|\_|\_|\_|\_|

v30 How many branches do you have in other countries for your business? |\_|\_|\_|\_|\_|

D26 (If yes v30) In what country? Please, describe me the activity of the branches.

List where are the branches: Branch 1 - Casablanca, Marocco

v31 Percentage of customers from:

(the sum has to be 100)

	Location	%
v31.1	Amsterdam/Milano (or surroundings)	
v31.2	Noord-Holland/Lombardia	
v31.3	Netherlands/Italia	
v31.4	Morocco	
v31.5	Other countries	

v32 How many employees/staff (also unofficial) do you have? Why?

|\_||||\_|

D27 (If yes to v32) Please, tell me about them:

- What kind of work they do?
- How did you select/choose them? Why?

D28 What are suppliers of your business (also informal, other shops, internet)?

D29 How did you select them? Why?

v33.1 Your business is currently in a condition (economic, as regards the customers etc.)... Why?

1. Not good at all
2. Not good
3. Good
4. Very good

v33.2 How much is your income *per* month (revenue - costs to be incurred)?

1. Less than 500 €
2. 501-1000
3. 1001-1500
4. 1500-2000
5. 2001-4000
6. 4001-7000
7. 7001-10000
8. More than 10000

v34 Do you have a permanent residency permit?

1. No
2. Yes

v35 Do you have the Italian/Dutch citizenship?

1. No
2. Yes

v36 (if yes to v34 or v35) Has the possession of the citizenship or a permanent residency permit changed something for your business? Why?

1. No
2. Yes

v41 Is there in your family a tradition of entrepreneurship/self-employment?

1. No
2. Yes

### Socio-demographic section

v37 Sex: |\_| 1- M |\_| 2- F

v38 Year of birth: |\_|\_|\_|\_|\_|\_|\_|\_|

v39 Marital status:

1. single (no partner)
2. married/living with a partner
3. divorced/separated
4. widower/widow

v40 Family composition:

	How many?	How many in IT/NL?
Partner	v40.1	v40.1.2
Children	v40.2	v40.2.2
Parents	v40.3	v40.3.2
Siblings	v40.4	v40.4.2

v42 Family job: More specifically could you specify ...

v42.1 Your father job:

1. Entrepreneurs, Managers
2. Professionals
3. Technicians and associate professionals
4. Clerical support workers
5. Service and sales workers
6. Skilled agricultural workers, craft and related trades workers, skilled labor
7. Plant and machine operators, and vehicles driver
8. Unskilled/Elementary occupations
9. Armed forces occupations
10. Househusband
11. Student (also PhD student)
12. Unemployed
99. Don't know

v42.2 Your mother job:

1. Entrepreneurs, Managers
2. Professionals
3. Technicians and associate professionals
4. Clerical support workers
5. Service and sales workers
6. Skilled agricultural workers, craft and related trades workers, skilled labor
7. Plant and machine operators, and vehicles driver
8. Unskilled/Elementary occupations
9. Armed forces occupations
10. Housewife
11. Student (also PhD student)
12. Unemployed
99. Don't know

v43 How fluent are you in the language of 'host' country in which you live?

Range: 0-7; 0 - No understanding; 7 - Perfect fluent

v44 What other languages do you speak? And to what degree? (max 3 languages)

Range: 0-7; 0 - No understanding; 7 - Perfect fluent

Write the language as shown below. Put into brackets as it is fluent e.g.:

English 7

First language spoken \_\_\_\_\_ | \_ |

Second language spoken \_\_\_\_\_ | \_ |

Third language spoken \_\_\_\_\_ | \_ |

v45 What language do you mainly speak at home? Why?

1. Italian/Dutch
2. Language of country origin
3. English
4. Other language

v46 In what language do you mainly read newspapers (or similar), watch video, programs (on TV or on internet) (on paper or on the Internet)? Why?

1. Italian/Dutch
2. Language of country origin
3. English
4. Other language

### Education section

v47.1 Did you do a Coranic school?

0. No

1. Yes

v47.2 (if no to v47.1) Education Level:

1. None (Less than primary education)
2. Primary education/ Junior secondary education (IT:Licenza elementare o media; NL: Basisonderwijs 4-12 anni)
3. Professional diploma (e.g. tailor diploma) (IT:Qualifica professionale/NL: MBO)
4. High school degree (IT: Diploma di scuola superior; NL: Voortgezet onderwijs 12-18)
5. University degree or more

v50 Did you have attend to any useful training courses (or similar) for the business in addition of your school studies?

0. No
1. Yes

v51 (If yes to v50) Which are these useful training courses? List them only (name –where)

v47.3 (if yes to v47.1) How many years did you study?

v48 Qualification description: \_\_\_\_\_  
(e.g. high school degree in Accounting; degree in Business Administration)

v49 Do you think that your educational qualification is related to your business and is it useful for the current business? How and why is your business connected to your qualifications and how is important for your business?

0. No
1. Yes

## Transnationalism

Let's now talk about contacts and actions ...  
v52 Think to how many times you...

Activity	No/ Never	Rarely	Some- times	Often/ regularly
<i>Part 1 – Economic sphere (except for business)</i>				
v52.1 Send money to family/relatives/friends in MOR	0	1	2	3
v52.2 Send money to family/relatives/friends in another country (no MOR, no IT/NL)	0	1	2	3
v52.3 Send (or bring directly) goods or products to family/relatives/friends in MOR	0	1	2	3
v52.4 Send (or bring directly) goods or products to family/relatives/friends in another country	0	1	2	3
v52.5 Have (at least) a house (or other property) in MOR	0		1 (Yes)	
v52.6 Have (at least) a house (or other property) in another country (no MOR, no IT/NL)	0		1 (Yes)	
v52.7 Invest money in MOR	0		1 (Yes)	
v52.8 Invest money in another country (no country of origin, no IT/NL)	0		1 (Yes)	
<i>Part 2 – Political sphere</i>				
v52.9 Participate in the activities of a political party in MOR	0	1	2	3
v52.10 Participate in demonstrations connected to MOR	0		1 (Yes)	
v52.11 Vote in elections in MOR	0		1 (Yes)	
v52.12 Inform yourself about your country of origin – reading newspapers, watching TV etc.	0	1	2	3
v52.13 Inform yourself about your country of arrival – reading newspapers, watching TV etc.	0	1	2	3
v52.14 Participate in the activities of a political party in IT/NL	0	1	2	3
v52.15 Vote or want to vote (if not yet a citizen) in elections of IT/NL	0		1 (Yes)	

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Activity	No/ Never	Rarely	Some- times	Often/ regularly
<i>Part 3 – Social/Relationship sphere</i>				
v52.16	0		1 (Yes)	
v52.17		(times/last year)		
v52.18		(times/last year)		
v52.19		(times/last year)		
v52.20	0	1	2	3
v52.21	0	1	2	3
v52.22	0	1	2	3
v52.23	0	1	2	3
v52.24	0	1	2	3
v52.25	0	1	2	3
v52.26	0	1	2	3
v52.27	0	1	2	3
v52.28	0	1	2	3
v52.29	0	1	2	3
v52.30	0	1	2	3
v52.31	0	1	2	3
v52.32	0	1	2	3
v52.33	0	1	2	3
v52.34	0	1	2	3
v52.35	0	1	2	3



Activity	No/ Never	Rarely	Some- times	Often/ regularly
v52.36 Provide help to Moroccan people living in another country (no MOR, no IT/NL)	0	1	2	3
v52.37 Provide help to other foreigners (not Moroccan people) living in MOR	0	1	2	3
v52.38 Provide help to other people (no Moroccans) living in another country	0	1	2	3
v52.39 Provide help to native people of IT/NL	0	1	2	3

*Please consider now just those actions and those contacts that you carry out and use for your business ...*

v53 How many times do you...

Activity	No/ Never	Rarely	Some- times	Often/ regularly
v53.1 Invest money in your country of origin	0		1 (Yes)	
v53.2 Invest money in another country (no MOR, no IT/NL)	0		1 (Yes)	
v53.3 Trade (for example: import/export) with MOR	0	1	2	3
v53.4 Trade (for example: import/export) with another country	0	1	2	3
v53.5 Business trip frequency in MOR			(times/last year)	
v53.6 Business trip frequency abroad (no MOR)			(times/last year)	
v53.7 Have contacts for business with people in IT/NL: only business contacts (ends and relatives)	0	1	2	3
v53.8 Have contacts with people in another country only business contacts	0	1	2	3

Activity	No/ Never	Rarely	Some- times	Often/ regularly
v53.9 Have contacts for business with friends in MOR for the business	0	1	2	3
v53.10 Have contacts for business with friends in another country Have contact with Moroccan people for the business	0	1	2	3
v53.11 Have contact with Moroccan people for the business	0	1	2	3
v53.12 Have contact with natives for the business	0	1	2	3
v53.13 Have contact with other foreigners for the business	0	1	2	3
v53.14 Have contacts for business with relatives in the country of origin	0	1	2	3
v53.15 Have contacts for business with relatives in another country	0	1	2	3

D30 (if transnational – yes to v8 or v9) Do you think the fact of having a business with frequent connections with other countries has led you to develop more contacts (in general - not only for business) with people living abroad (country of origin or another country)? If yes, why? Or do you think it is the opposite? i.e. You already had contacts previously to your business activities and you decided to exploit them for business purposes.

D30.1 Did your activities (not related to the business) in connection with other countries change (increase/decrease) after the start of your business?

v54-55 Let's now talk about your feelings and how you feel more or less close to some groups and some places.... How much do you feel you belong to .../ close to....?

0 - Not at all; 10 totally

Group												
v54.1	Natives	0	1	2	3	4	5	6	7	8	9	10
v54.2	Moroccan people (in general)	0	1	2	3	4	5	6	7	8	9	10
v54.3	Moroccan people (in IT/NL)	0	1	2	3	4	5	6	7	8	9	10
v54.4	Other immigrants (in IT/NL)	0	1	2	3	4	5	6	7	8	9	10
Place												
v55.1	District/Area where you live in the city of immigration	0	1	2	3	4	5	6	7	8	9	10
v55.2	City of immigration	0	1	2	3	4	5	6	7	8	9	10
v55.3	City of origin	0	1	2	3	4	5	6	7	8	9	10
v55.4	Country of immigration	0	1	2	3	4	5	6	7	8	9	10
v55.5	Country of origin	0	1	2	3	4	5	6	7	8	9	10

D31 Did the feelings you have just described change after the start of the business? Did the perception of this country and your migration project change after the start of the business?

v56 How do you feel in this country?

1. Bad
2. Not very good
3. Good
4. Very good

v57 In the future, where are you going to live?

1. you are going to stay in the country of immigration
2. you are going to return to your country of origin
3. you are going to live in another country (no country of origin and arrival)
4. you do not know yet

In these 30 people please could you tell me the name of:  
(Instruction: ask the respondent to try to balance the core and business network – 15 and 15 names)

1. *People you feel emotionally close with (CORE NETWORK)*
  - a) your relatives you feel closest with
  - b) your friends you feel closest with
  - c) Apart the people just named are there other persons you discuss important personal matters with?
2. *People you have contacts for the business with (BUSINESS NETWORK):*
  - a) business partners –other owners-
  - b) employees/staff -also unofficial ones-
  - c) people who provided or provide now help for the business
  - d) other relatives helping you for the business
  - e) the main suppliers you have
  - f) other people you have contact for the business

## PERSONAL NETWORK

### Name generator

Would you please give us the names of 30 people that you know and who know you, with whom you had any contact in the last two years (face-to-face, by phone, or via the Internet), and that you could still contact if you needed to?

They may be of any nationality.

They may be living anywhere (in Milan/Amsterdam, or in other Italian/Dutch cities, in Morocco or in other countries)

They must be older than 18.

### Question on alters

a1 Sex:

1. Male
2. Female
99. Don't know

- a2 Age bracket:
1. Young (18-30)
  2. Adult (31-65)
  3. Elder (>65)
  99. Don't know
- a3 Occupation:
1. Entrepreneurs, Managers
  2. Professionals
  3. Technicians and associate professionals
  4. Clerical support workers
  5. Service and sales workers
  6. Skilled agricultural workers, craft and related trades workers, skilled labor
  7. Plant and machine operators, and vehicles driver
  8. Unskilled/Elementary occupations
  9. Armed forces occupations
  10. House-wife/husband
  11. Student (also PhD student)
  12. Unemployed
  99. Don't know
- a4 Nationality (place of birth):
1. Moroccan
  2. Native of the host country
- a5 Country of residence:
1. Ego host country (IT/NL)
  2. Morocco
  3. Other country – Africa
  4. Other country – North America (USA/Canada)
  5. Other country – Central and South America
  6. Other country – Asia e Oceania
  7. Other country – Europe (including Russia and Turkey)
  99. Don't know
- a4.1 (if answer 1 to a4) Does he/she is from your region of origin?
1. No
  2. Yes
  99. Don't know
- a2 Age bracket:
3. Other country – Africa
  4. Other country –North America (USA/Canada)
  5. Other country – Central and South America
  6. Other country – Asia e Oceania
  7. Other country – Europe (including Russia and Turkey)
  99. Don't know

- a6 City of residence:
1. Milan /Amsterdam
  2. Ego city of origin
  3. Other city in the same region of the city of immigration (Lombardia/Noord-Holland)
  4. Other city in Italy/Netherlands
  5. Other city in Morocco
  6. Other city (specify: \_\_\_\_\_)
99. Don't know
- a7.1 (if answer 1 to a6) Does he/she live or work in your district of residence (in Milan /Amsterdam)?
0. No
  1. Yes
99. Don't know
- a7.2 (if answer 2 to a6) Does he/she live or work in your district of your city of origin in Morocco?
0. No
  1. Yes
99. Don't know
- a8 Why did you meet this person the first time?
1. Because he/she is a relative
  2. Because he/she lives or he/she lived in my neighborhood (in Milan /Amsterdam, in Morocco or in another city you lived)
3. For business purposes (before the self-employed activity)
  4. For business purposes (after the start-up of the self-employed activity)
  5. I knew him/her in my spare time/for leisure
- a8.1 Did you know this person before the start of the current business?
0. No
  1. Yes
- a9 What is the prevalent relationship between you and this person?
- Acquaintance
1. Working/Job contact: business partners (other owner)
  2. Working/Job contact: employee/staff (also unofficial)
  3. Working/Job contact: supplier
  4. Working/Job contact: other (specify: a9.1)
  5. Friend
  6. Close relative (parent, son, sibling, grandparents)
  7. Other relative
  8. Partner
  99. Don't know

a10 How do you feel close (friends) to this person?

1. Not at all (I don't feel close at all to this person)
2. A little
3. Fairly (I feel fairly close to this person)
4. Close/Friend (I feel a friend -close- to this person)
5. Very much close (I feel very much a friend -very much close- to this person)

a11 Contacts reason: Do you have contacts (meetings, phone calls etc.) for business purposes?

0. No
1. Yes

a12 (if yes to 11) How do you often have contacts with him/her for the business (face-to-face, by phone, or by the Internet)? (X times for years)

0. No
1. Yes
99. Don't know

a14 (If yes to a13) What kind of help does he/she mainly provide?

1. Financial support (e.g. loan)
2. Working help
3. Provides information
4. Other (specify \_\_\_\_13.1\_\_\_\_)
99. No

### Alter pair

Do these two persons know quite well each other?

0. (I think) No
1. (I think) Yes
99. Don't know

“They know each other” means that they may meet up, or talk to each other, even when you are not there.

## Annex 3 - Tables chapters 5 and 6

**Table 1** | Business network: spatial scales (%) – difference between TIEs and DIEs

Spatial scales		TIEs	DIEs
Same region in Mor? <sup>a</sup>	No	56	44.2
	Yes	44	55.8
	<i>Total (%)</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>252</i>	<i>129</i>
	Ass.	$\tau = 0.111^*$	
Same country of residence (IT/NL)?	No	41.4	2.6
	Yes	58.6	97.4
	<i>Total (%)</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>575</i>	<i>387</i>
	Ass.	$\tau = 0.435^{**}$	
Same region in IT/NL? <sup>b</sup>	No	22.9	15
	Yes	77.1	85
	<i>Total (%)</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>340</i>	<i>381</i>
	Ass.	$\tau = 0.102^{**}$	
Same city in IT/NL? <sup>b</sup>	No	38.5	24.1
	Yes	61.5	75.9
	<i>Total (%)</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>340</i>	<i>381</i>
	Ass.	$\tau = 0.155^{**}$	
Same neighbour. in city of imm. <sup>?c</sup>	Same neigh.	30.8	38.9
	Other neigh.	69.2	61.1
	<i>Total (%)</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>211</i>	<i>293</i>
	Ass.	$\tau = 0.084^*$	

\*  $p < 0.05$  \*\*  $p < 0.01$  <sup>a</sup> Share of people from the same region of interviewees in Morocco (it is not necessary that they still leave there) in the total contacts from Morocco <sup>b</sup> Share of people living in the interviewee's city of residence out of contacts living in country of immigration

<sup>c</sup> Share of people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration



**Table 2 | Business network: spatial scales (%) – difference between TIEs and DIEs**

Spatial scales	Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-rel. sector		Service sector		
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	
Same region in Mor.? <sup>a</sup>	No	68.9	50	51.2	61.9	47.1	43.7	70.5	44.9	53.8	50	60	39.1	53.1	32.2	54.3	62.3
	Yes	31.1	50	48.8	38.1	52.9	56.3	29.5	55.1	46.2	50	40	60.9	46.9	67.8	37.7	45.7
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	90	66	162	63	157	80	95	49	156	60	95	69	175	59	77	70
	Ass.	$\tau=0.191^*$		$\tau=0.096$		$\tau=0.032$		$\tau=0.250^{**}$		$\tau=0.035$		$\tau=0.206^{**}$		$\tau=0.182^{**}$		$\tau=0.082$	
Same country (IT/NL)?	No	48.2	1.7	36.9	3.3	41.1	1.1	41.9	5.9	42.5	2.5	41.2	2.6	42.7	3.9	38.5	1.7
	Yes	51.8	98.3	63.1	96.7	58.9	98.9	58.1	94.1	57.5	97.5	58.8	97.4	57.3	96.1	61.5	98.3
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	228	173	347	214	353	269	118	222	275	120	291	267	396	155	179	232
	Ass.	$\tau=0.512^{**}$		$\tau=0.382^{**}$		$\tau=0.465^{**}$		$\tau=0.376^{**}$		$\tau=0.400^{**}$		$\tau=0.460^{**}$		$\tau=0.375^{**}$		$\tau=0.478^{**}$	
Same region in IT/NL? <sup>b</sup>	No	36.1	29.2	15.8	3.3	21	14.5	26.2	18.4	22	23.5	24.3	11.1	22.7	12.6	16.5	23.4
	Yes	63.9	70.8	84.2	96.7	79	85.5	73.8	81.6	78	76.5	75.7	88.9	77.3	87.4	83.5	76.6
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	119	171	221	210	157	80	95	49	159	119	173	262	229	151	111	230
	Ass.	$\tau=0.073$		$\tau=0.211^{**}$		$\tau=0.099^*$		$\tau=0.092$		$\tau=-0.018$		$\tau=0.175^{**}$		$\tau=0.127^{**}$		$\tau=0.083$	
Same city in IT/NL? <sup>b</sup>	No	41.2	32.2	37.1	17.6	35.7	23.2	43.1	26.3	37.7	29.4	39.3	21.8	42.8	22.5	29.7	25.2
	Yes	58.8	67.8	62.9	82.4	64.3	76.8	56.9	73.7	62.3	70.6	60.7	78.2	57.2	77.5	70.3	74.8
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	119	171	221	210	157	80	95	49	159	119	173	262	229	151	111	230
	Ass.	$\tau=0.092$		$\tau=0.218^{**}$		$\tau=0.137^{**}$		$\tau=0.175^{**}$		$\tau=0.087$		$\tau=0.190^{**}$		$\tau=0.208^{**}$		$\tau=0.048$	
Same neigh. in city of imm.? <sup>c</sup>	No	66.2	55.2	70.7	65	71.3	69.8	65.3	40.9	66	52.4	70.8	64.6	69.5	65	68.7	58.4
	Yes	33.8	44.8	29.3	35	28.7	30.2	34.7	59.1	34	47.6	29.2	35.4	30.5	35	31.3	41.6
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	71	116	140	177	136	205	75	88	110	84	106	209	131	120	80	173
	Ass.	$\tau=0.109$		$\tau=0.061$		$\tau=0.017$		$\tau=0.244^{**}$		$\tau=0.138^*$		$\tau=0.062$		$\tau=0.048$		$\tau=0.099$	

\* $p<0.05$  \*\* $p<0.01$  <sup>a</sup> Share of people from the same region of interviewees in Morocco (it is not necessary that they still leave there) in the total contacts from Morocco <sup>b</sup> Share of people living in the interviewee's city of residence out of contacts living in country of immigration

<sup>c</sup> Share of people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration

APPENDIX

**Table 3 | Support network and non-support network: spatial scales (%) – difference between TIEs and DIEs**

Spatial scales	Support network		Non-support network		
	TIEs	DIEs	TIEs	DIEs	
Same region in Mor? <sup>a</sup>	No	38.4	34.2	73.2	60
	Yes	61.6	65.8	26.8	40
	<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>125</i>	<i>79</i>	<i>127</i>	<i>50</i>
	Ass.	$\tau=0.043$		$\tau=0.129$	
Same country (IT/NL)?	No	41.8	2.5	41	2.7
	Yes	58.2	97.5	59	97.3
	<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>287</i>	<i>202</i>	<i>288</i>	<i>185</i>
	Ass.	$\tau=0.444^{**}$		$\tau=0.426^{**}$	
Same region in IT/NL? <sup>b</sup>	No	23.8	16.5	22.1	13.3
	Yes	76.2	83.5	77.9	86.7
	<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>168</i>	<i>200</i>	<i>172</i>	<i>181</i>
	Ass.	$\tau=-0.091$		$\tau=0.116^*$	
Same city in IT/NL? <sup>b</sup>	No	38.1	23	39	25.4
	Yes	61.9	77.7	61	74.6
	<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>168</i>	<i>200</i>	<i>172</i>	<i>181</i>
	Ass.	$\tau=-0.164^{**}$		$\tau=0.145^{**}$	
Same neigh. in city of imm. <sup>c</sup>	No	59.6	70.5	78.5	50.4
	Yes	40.4	29.5	21.5	49.6
	<i>Total (%)</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
	<i>Total (N)</i>	<i>104</i>	<i>156</i>	<i>107</i>	<i>137</i>
	Ass	$\tau=-0.113$ ( $p<0.08$ )		$\tau=0.289^{**}$	

\*  $p<0.05$  \*\* $p<0.01$  <sup>a</sup> Share of people from the same region of interviewees in Morocco (it is not necessary that they still leave there) in the total contacts from Morocco <sup>b</sup> Share of people living in the interviewee's city of residence out of contacts living in country of immigration <sup>c</sup> Share of people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration

**Table 4 | Support network: spatial scales (%) – difference between TIEs and DIEs**

Spatial scales		Amsterdam		Milan		1 generation		1.5 generation		Ethnic market		Main-stream market		Good-rel. sector		Service sector	
		TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs
Same region in Mor.? <sup>a</sup>	No	47.6	43.2	33.7	22.9	28.4	35.7	56.8	30.4	36.5	44.4	42	20.6	39.1	31.7	36.8	36.8
	Yes	52.4	56.8	66.3	77.1	71.6	64.3	43.2	69.6	63.5	55.6	58	79.4	60.9	68.3	63.2	63.2
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	42	44	83	35	81	56	44	23	74	45	50	34	87	41	38	38
	Ass.	$\tau=0.045$		$\tau=0.108$		$\tau=-0.078$		$\tau=0.251^*$		$\tau=-0.079$		$\tau=0.223^*$		$\tau=-0.071$		$\tau=-0.00$	
Same country (IT/NL)?	No	37.4	1	44.8	4	42.5	0.6	40.7	9.8	55.6	2.5	32.2	2.5	48.7	4.7	28.6	0.9
	Yes	62.6	99	55.2	96	57.5	99.4	59.3	90.2	44.4	97.5	67.8	97.5	51.3	95.3	71.4	99.1
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	115	101	172	101	174	161	113	41	152	121	129	81	189	86	98	116
	Ass.	$\tau=0.451^{**}$		$\tau=0.432^{**}$		$\tau=0.502^{**}$		$\tau=0.292^{**}$		$\tau=0.544^{**}$		$\tau=0.376^{**}$		$\tau=0.428^{**}$		$\tau=0.403^{**}$	
Same region in IT/NL? <sup>b</sup>	No	40.3	27.7	11.5	5.1	20.8	16.8	28.4	15.4	17.9	23.5	27.9	11.8	21.4	8.3	27.1	22.4
	Yes	59.7	72.3	88.5	94.9	79.2	83.2	71.6	84.6	82.1	76.5	72.1	88.2	78.6	91.7	72.9	77.6
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	72	101	96	99	101	161	67	39	56	81	104	119	98	84	70	116
	Ass.	$\tau=0.132$		$\tau=0.117$		$\tau=0.051$		$\tau=0.147$		$\tau=-0.067$		$\tau=-0.204^{**}$		$\tau=-0.181^{**}$		$\tau=-0.053$	
Same city in IT/NL? <sup>b</sup>	No	43.1	30.7	34.4	15.2	36.6	23.6	40.3	20.5	37.5	29.6	38.5	18.5	42.9	15.5	31.4	28.3
	Yes	56.9	69.3	65.6	84.8	63.4	76.4	59.7	79.5	62.5	70.4	61.5	81.5	57.1	84.5	68.6	71.6
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	72	101	96	99	101	161	67	39	56	81	104	119	98	84	70	116
	Ass.	$\tau=-0.127$		$\tau=0.223^{**}$		$\tau=0.140^*$		$\tau=0.203^*$		$\tau=0.082$		$\tau=0.222^{**}$		$\tau=0.297^{**}$		$\tau=0.032$	
Same neigh. in city of imm.? <sup>c</sup>	No	48.8	70	66.7	70.9	67.2	76.4	47.5	48.5	54.3	59.4	59.4	76.8	62.5	63	56.3	77.1
	Yes	51.2	30	33.3	29.1	32.8	23.6	52.5	51.5	45.7	40.6	40.6	23.2	37.5	37	43.8	22.9
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	41	70	63	86	64	123	40	33	35	57	64	99	56	73	48	83
	Ass.	$\tau=-0.211^*$		$\tau=-0.046$		$\tau=0.099$		$\tau=-0.010$		$\tau=-0.053$		$\tau=-0.185^*$		$\tau=-0.005$		$\tau=-0.218^*$	

\*  $p < 0.05$  \*\*  $p < 0.01$  <sup>a</sup> Share of people from the same region of interviewees in Morocco (it is not necessary that they still leave there) in the total contacts from Morocco <sup>b</sup> Share of people living in the interviewee's city of residence out of contacts living in country of immigration  
<sup>c</sup> Share of people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration

APPENDIX

**Table 5 | Business network: Spatial scales (%) – differences amongst TIEs**

Spatial scales		AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Mainstr. mark.	Ethnic mark.
Same region in Mor.?a	No	68.9	48.8	47.5	70.5	53.1	62.3	60	53.8
	Yes	31.1	51.2	52.5	29.5	46.9	37.7	40	46.2
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	90	162	157	95	175	77	95	156
	Ass.	$\tau=0.194^{**}$		$\tau=-0.228^{**}$		$\tau=-0.101$		$\tau=0.060$	
Same country of residence (IT/NL)?	No	48.2	36.9	41.1	41.9	42.7	38.5	41.2	42.5
	Yes	51.8	63.1	58.9	58.1	57.3	61.5	58.8	57.5
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	228	347	353	222	396	179	291	275
	Ass.	$\tau=0.113^{**}$		$\tau=-0.008$		$\tau=0.039$		$\tau=0.013$	
Same region in IT/NL?b	No	36.1	15.8	21	26.2	22.7	23.4	24.3	22
	Yes	63.9	84.2	79	73.8	77.3	76.6	75.7	78
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	119	221	210	130	229	111	173	159
	Ass.	$\tau=0.230^{**}$		$\tau=-0.060$		$\tau=-0.008$		$\tau=0.027$	
Same city in IT/NL? b	No	41.2	37.1	35.7	43.1	42.8	29.7	39.3	37.7
	Yes	58.8	62.9	64.3	56.9	57.2	70.3	60.7	62.3
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	119	221	210	130	229	111	173	159
	Ass.	$\tau=0.040$		$\tau=-0.074$		$\tau=0.126^*$		$\tau=0.016$	
Same neighbour. in city of imm.?c	No	66.2	70.7	71.3	65.3	70	68.8	70.8	66
	Yes	33.8	29.3	28.7	34.7	30	31.2	29.2	34
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	140	71	136	75	131	80	106	100
	Ass.	$\tau=-0.046$		$\tau=0.062$		$\tau=0.008$		$\tau=-0.015$	

\*  $p<0.05$  \*\* $p<0.01$  <sup>a</sup> It refers to people from the same region of interviewees in Morocco (it is not necessary that they still leave there) out of contacts from Morocco <sup>b</sup> It refers to people living in the interviewee's city of residence out of contacts living in country of immigration <sup>c</sup> It refers to people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration

**Table 6** | Support network: Spatial scales (%) – differences amongst TIEs

Spatial scales		AM	MI	1 gen.	1.5 gen.	I/E	Cons.	Main-str. mark.	Ethnic mark.
Same region in Mor.? <sup>a</sup>	No	47.6	33.7	28.4	56.8	39.1	36.8	42	36.5
	Yes	52.4	66.3	71.6	43.2	60.9	63.2	58	63.5
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	42	83	81	44	87	38	50	74
	Ass.	$\tau=0.135$		$\tau=-0.279^{**}$		$\tau=0.021$		$\tau=0.056$	
Same country of residence (IT/NL)?	No	37.4	44.8	42.5	40.7	48.7	28.6	32.2	55.2
	Yes	62.6	55.2	57.5	59.3	51.3	71.4	67.8	44.8
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	115	172	174	113	189	98	152	126
	Association	$\tau=-0.073$		$\tau=0.018$		$\tau=0.193^{**}$		$\tau=-0.235^{**}$	
Same region in IT/NL? <sup>b</sup>	No	40.3	11.5	20.8	28.4	21.1	27.1	28.9	17.9
	Yes	59.7	88.5	79.2	71.6	78.9	72.9	71.1	82.1
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	72	96	101	67	98	70	104	56
	Ass.	$\tau=0.335^{**}$		$\tau=-0.087$		$\tau=-0.066$		$\tau=0.111$	
Same city in IT/NL? <sup>b</sup>	No	43.1	34.4	36.6	40.3	42.9	31.4	38.5	37.5
	Yes	56.9	65.6	63.4	59.7	57.1	68.6	61.5	62.5
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	72	96	101	67	98	70	104	56
	Ass.	$\tau=0.088$		$\tau=-0.037$		$\tau=0.116$		$\tau=0.009$	
Same neighbour. in city of imm.? <sup>c</sup>	No	48.8	66.7	67.2	47.5	62.5	56.2	59.4	54.3
	Yes	51.2	33.3	32.8	52.5	37.5	43.8	40.6	45.7
	Total (%)	100	100	100	100	100	100	100	100
	Total (N)	41	63	64	40	56	48	64	35
	Ass.	$\tau=-0.178$ ( $p<0.8$ )		$\tau=0.195^*$		$\tau=0.064$		$\tau=0.049$	

\*  $p<0.05$  \*\* $p<0.01$  <sup>a</sup> It refers to people from the same region of interviewees in Morocco (it is not necessary that they still leave there) out of contacts from Morocco <sup>b</sup> It refers to people living in the interviewee's city of residence out of contacts living in country of immigration <sup>c</sup> It refers to people living or working in neighbourhood where interviewees work or live (in the city of residence), out of contacts living in city of immigration

**Table 7 | Business network composition: differences between TIEs and DIEs with similar individual characteristics**

Variables	Whole sample		Path 1		Path 3		Edu: high level		Edu: low level		Work experi- ence useful		Work experi- ence not useful		Family entre- preneurial background		No family en- trepreneurial background			
	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs	TIEs	DIEs		
Groups	Natives	27.1	47.9	22.6	47.5	27.7	47.8	28	51.4	24	38.9	24.2	48.6	32.7	46.8	22.8	43	34.3	51.1	
	Mor: Imm.	25.2	34	27.4	40.6	24.3	30.3	21.7	30	37.2	44.4	28.2	33.3	19.6	35.3	29.2	36.5	18.7	32.5	
	Mor: Origins	14.3	1.3	17.7	1.7	11	1.3	14.8	1.8	12.4	0	11.7	1.6	19.1	0.7	14.9	1.3	13.3	1.3	
	Other imm.	6.3	15.2	7.3	7.9	6.9	20	6.5	16.1	5.4	13	8	14.5	3	16.5	5.9	17.2	6.8	13.9	
	Mor: Diasporas	4.2	0.3	3.8	0	6.4	0	4	0	4.7	0.9	5.9	0	1	0.7	6.2	0	0.9	0.4	
	Internationals	23	1.3	21.2	2.3	23.7	0.6	25	0.7	16.3	2.8	22	2	24.6	0	21	2	26	0.8	
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Total (N)	575	388	288	177	173	155	446	280	129	108	376	249	199	139	356	151	219	237	
	Association	V=0.440**	V=0.431**	V=0.482**	V=0.456**	V=0.387**	V=0.421**	V=0.387**	V=0.421**	V=0.509**	V=0.407**	V=0.456**	V=0.509**	V=0.407**	V=0.456**	V=0.509**	V=0.407**	V=0.456**	V=0.509**	
	Ego's same city	61.5	75.9	67.7	86.7	55.9	63.4	60.5	74.4	64.4	80.8	61.6	76.1	61.3	75.4	61.7	79.7	61.2	73.4	
Other city	38.5	24.1	32.3	13.3	44.1	36.6	39.5	26	35.6	19.2	38.9	23.9	38.7	24.6	38.3	20.3	38.8	26.6		
Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
Total (N)	340	381	167	173	102	153	253	277	87	104	229	243	111	138	206	148	134	233		
Association	τ = 0.155**	τ = 0.227**	τ = 0.075	τ = 0.144*	τ = 0.185*	τ = 0.157**	τ = 0.185*	τ = 0.157**	τ = 0.152*	τ = 0.193**	τ = 0.127*	τ = 0.152*	τ = 0.193**	τ = 0.127*	τ = 0.193**	τ = 0.127*	τ = 0.193**	τ = 0.127*		
City of resi- dence <sup>a</sup>	Relatives	12.8	11.3	12.8	15.3	16.8	7.7	12.6	8.9	14	17.6	14.1	11.2	10.5	11.5	16	16.6	7.8	8	
	Friends	9.6	14.9	11.8	14	5.2	14.8	10.5	15.7	6.2	13	8.2	14.9	12.1	15.1	7.3	11.9	13.2	16.9	
	Acquaintances	5.6	15.5	3.8	11.9	11.6	18.1	6.5	17.5	2.3	10.2	7.7	16.1	1.5	14.4	6.7	6	3.7	21.5	
	Work-related c.	72	58.3	71.6	58.8	66.4	59.4	70.4	57.9	77.5	59.2	70	57.8	75.9	59	70	65.5	75.3	53.6	
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Total (N)	575	388	288	177	173	155	446	280	129	108	376	249	199	139	356	151	219	237		
Association	V=0.195**	V=0.173**	V=0.222**	V=0.201**	V=0.228**	V=0.178**	V=0.228**	V=0.178**	V=0.266**	V=0.077	V=0.287**	V=0.266**	V=0.077	V=0.287**	V=0.266**	V=0.077	V=0.287**	V=0.266**		
Tie strength	Weak ties	65.2	64.4	60.4	61.6	74	69	64.8	66.1	66.7	60.2	67	67.1	61.8	59.7	65.2	62.3	65.3	65.8	
	Strong ties	34.8	35.6	39.6	38.4	26	31	25.2	33.9	33.3	39.8	33	32.9	38.2	40.3	34.8	37.7	34.7	34.2	
	Total (%)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	Total (N)	575	388	288	177	173	155	446	280	129	108	376	249	199	139	356	151	219	237	
	Association	τ = 0.008	τ = 0.012	τ = 0.055	τ = -0.013	τ = 0.067	τ = 0.000	τ = 0.067	τ = 0.000	τ = -0.021	τ = 0.028	τ = -0.006	τ = 0.000	τ = -0.021	τ = 0.028	τ = -0.006	τ = 0.028	τ = -0.006	τ = -0.006	

\* p<0.05 \*\*p<0.01 <sup>a</sup> Share of people living in the interviewee's city of residence out of contacts living in country of immigration.







# SUMMARY

This thesis deals with the topic of immigrant entrepreneurship and the transnational practices linked to this type of business (i.e. transnational immigrant entrepreneurship). In particular, the goal of the dissertation is to understand how, and through what resources, immigrant entrepreneurs identify and seize business opportunities. In order to address this, I compare domestic (DIEs) and transnational (TIEs) Moroccan entrepreneurs in Amsterdam and Milan. The research contributes to the field of transnational immigrant entrepreneurship both conceptually, by introducing the concept of multifocality and re-defining those of structural and relational embeddedness, and empirically, by analysing the case of 70 Moroccan entrepreneurs in Amsterdam and Milan.

From a conceptual standpoint, in **Chapter 2**, I introduce a model to analyse transnational immigrant entrepreneurship, and I propose the concept of multifocality - rather than that of bifocality as it has been used in the literature (Vertovec, 2004) - and I re-define the notions of structural and relational embeddedness. As in the interactive approach (Waldinger *et al.*, 1990) and the mixed embeddedness approach (Kloosterman *et al.*, 1999), I take into account both the opportunities available (opportunity structure) and the entrepreneurs' individual characteristics and social network.

However, in comparison with past approaches, the model introduces three main new ideas.

- According to the mixed embeddedness approach, two spheres contribute to creating the opportunity structure: the political-institutional context, and the economic conditions. In this regard, previous models and approaches on immigrant entrepreneurship have generally focused on the role of places in creating opportunities, and treated the role of group characteristics only as market conditions or in connection with the co-national group. To stress the role of group characteristics, I propose to add a third sphere, namely that of modes of behaviour. Modes of behaviour consist in the sets of habits, role models and attitudes that are distinctive to individuals belonging to a certain group (e.g. co-nationals, natives of the country of destination).
- The mixed embeddedness approach suggests also that there are two different aspects to entrepreneurial embeddedness. I further develop this notion first by using the concepts of structural and relational embeddedness (Portes, 1995) and second

by partially re-defining them. In comparison with Portes' definitions, I extended both concepts in a more encompassing way. First, Portes' structural embeddedness refers to embeddedness in the political and social structure of the country of destination. In contrast, in my definition, structural embeddedness is linked to multiple places (not only the country of destination) and groups (e.g. co-nationals, natives of the country of destination). Therefore, structural embeddedness refers to *a profound and direct understanding of the features of places and groups*. Second, relational embeddedness in Portes' definition refers only to the co-national group. Following Granovetter (1985), I re-define it in a broader way. Relational embeddedness consists in *ego's contacts, and the relations with and among these contacts*.

- In contrast to previous approaches on immigrant entrepreneurship, which normally focus only on the country of destination and the co-national group, I stress the need to consider the possibility that immigrant entrepreneurs (and in particular TIEs) are influenced by conditions and contacts from different places (e.g. their country of origin, and other countries) and groups (e.g. their co-nationals, natives of their country of immigration). I also emphasise the fact that paying attention solely to ties from the country of immigration and the country of origin is insufficient to understand transnational immigrant entrepreneurship. Rather, it is also necessary to take into account links to other countries. I therefore introduce the notion of multifocality to replace that of bifocality (Vertovec, 2004). Multifocality refers to *simultaneous links with multiple places and groups*. Concretely, this entails that immigrant entrepreneurs (and in particular transnational immigrant entrepreneurs) take into account multiple places and multiple groups for their entrepreneurial activities.

Empirically, the study illustrates how immigrant entrepreneurs with a transnational business identify and seize business opportunities.

In particular, the study's main contributions to the literature are:

- To investigate the dissimilarities between TIEs and DIEs when it comes to how they identify and seize opportunities, and to understand where and which groups these opportunities are taken from.
- To analyse possible variations among TIEs, based on business sector (goods-related or service sector), market addressed (mainstream or ethnic market), generation (first or 1.5 generation), and city where the business is located (Amsterdam or Milan).

The results are based on research conducted on Moroccan entrepreneurs in Milan and Amsterdam (N=70), using an overall qualitative approach combining qualitative questions, quantitative measures, and techniques from social network analysis (**Chapter 3**). The results of the empirical research are illustrated in Chapters 4, 5 and 6.

In **Chapter 4**, I examine the extent to which opportunity structure and structural embeddedness impact on opportunity identification and seizing.

Before doing so, I address the role of opportunity structure in general terms, as well as the various spheres (political-institutional context, economic context and modes of behaviour) that make up the opportunity structure. In order to run a business, opportunity structure is more relevant for TIEs than it is for DIEs, since DIEs take less advantage of the structural conditions of where they conduct their business. These differences emerge mainly for respondents in the mainstream market, since DIEs in the ethnic market refer to opportunities created by a concentration of co-nationals in their city or in a given neighbourhood of their city. In essence, the economic conditions of places and the modes of behaviour of groups contribute to creating an opportunity structure that both TIEs and DIEs take advantage of. TIEs exploit both market features (e.g. request for Moroccan products by Moroccan immigrants) and production features (e.g. quality of the industrial fabric in the production of industrial machineries), whereas DIEs only take advantage of market conditions.

I also focus on what countries (at what spatial scales) and what groups produce the opportunities that Moroccan entrepreneurs actually seize, by also examining the concept of multifocality. TIEs are multi-focal and multi-scalar, since they are often linked to more than two countries (Morocco, their country of immigration and one or more third countries), on different spatial scales (local and national level). TIEs use their multi-focal and multi-scalar nature to link previously unconnected opportunities. By contrast, DIEs focus mainly on the opportunity structure of their new country on a local scale; they are mono-focal and mono-scalar. However, with regard to groups, both TIEs and DIEs focus mainly on their co-nationals, and are therefore mono-focal. Indeed, in contrast with what the model suggests, TIEs are multifocal only when it comes to places, and not groups.

In the same chapter, I also analyse how and through what resources immigrant entrepreneurs identify and seize business opportunities. In this regard, the role of the entrepreneur's structural embeddedness is addressed. Structural embeddedness in Morocco, in the country of immigration, and in the co-national group is fundamental for TIEs to identify and seize business opportunities. Their embeddedness in the co-national group allows TIEs to serve certain markets in some European countries, especially those with a high number of Moroccan immigrants (e.g. France, Belgium). In contrast, DIEs generally take advantage only of their embeddedness in the co-national group and in their country of immigration. If we consider embeddedness in groups, the model introduced in Chapter 2 does not fit what emerges from the empirical data. Indeed, the model implies a multi-group influence, which I did not find.

**Chapter 5** empirically investigates the role of relational embeddedness in identifying and seizing business opportunities. TIEs have networks that are more widely dispersed geographically and better articulated territorially, while the networks of DIEs are not only almost exclusively located in the country of immigration, but also more concentrated in the city of

immigration. The business contacts of TIEs are also more varied in term of nationalities, with a more relevant group of people from other countries (neither the country of immigration nor Morocco), compared to those of DIEs. Furthermore, TIE networks are generally greater (composed of more business contacts) and less dense (i.e. the contacts in the network are less likely to know one another) than those of DIEs. Such differences in the entrepreneurs' networks were already present before the business start-up. In other words, the different features of TIE and DIE network composition and structure precede the business, and not the other way around. This is counter-intuitive, since it might be expected that the different type of business (transnational vs. domestic) would lead to a different network composition and structure.

Different kinds of networks entail a different use of the entrepreneur's embeddedness in them. TIEs exploit their capacity for bridging different people in different places. In contrast, DIEs establish connections with similar contacts, mobilising resources within their dense and homogeneous network. However, strong and weak ties compose the network of both TIEs and DIEs in equal measure. Indeed, TIEs strongly rely on strong ties for support with the foreign side of the business.

Furthermore, in comparison to DIEs, TIE contacts provide a more central and more steady support, both by helping to manage the foreign aspects of the business and by providing key pieces of information regarding how to develop these aspects.

**Chapter 6** presents empirical findings on the role played by individual characteristics when it comes to seizing business opportunities. In particular, many individual characteristics (education, past work experience, entrepreneurial family background) are taken into account. Moroccan entrepreneurs follow different paths when running their business. The first is based on using their previous work experience, and the second is linked to their education. The third path emerges as a combination of education and past work experience (usually in the same sector), whereas the last is linked with neither education nor previous work experience. In the latter case, entrepreneurs start and run their business without taking advantage of any particular individual characteristics. Both TIEs and DIEs mainly follow the first or the third path. There are also cases of TIE entrepreneurs relying solely on their education, and some DIEs do not take advantage of either their education or their work experience. These 'outlier' paths perfectly point to the differences between TIEs and DIEs. Indeed, TIEs display a number of more virtuous paths, which are generally based on their education.

More in particular, TIEs have more business-focused qualifications than do DIEs, and they also have better linguistic skills. These linguistic skills are usually acquired before the business start-up, and this allows TIEs to run cross-border businesses. Furthermore, TIEs usually have a more pro-active attitude than DIEs. For example, they strongly invest in individual research to identify business opportunities. They use their entrepreneurial family background to 'innovate' (e.g. to internationalise the family business), and so they do not follow the path taken by their relatives or family (as DIEs usually do).

Furthermore, the chapter investigates whether individual characteristics affect the role of structural and relational embeddedness in identifying and seizing opportunities for the business. Different entrepreneurial paths and individual characteristics have a limited effect on the dissimilarities between TIEs and DIEs in terms of the role played by structural and relational embeddedness in seizing business opportunities. This means that in most cases the dissimilarities between TIEs and DIEs remain constant even when individual characteristics are taken into account. This leads to the conclusion that structural and relational embeddedness are the most relevant factors in the differences between TIEs and DIEs when it comes to seizing opportunity.

The thesis also provides further insights concerning differences among TIEs. Two distinct profiles emerge. The first - which is typical of TIEs in the service sector operating in the mainstream market (e.g. consultancy businesses) - is characterised by TIEs who strongly 'stress' the entrepreneurial part of their migratory journey. The second - which is more common for TIEs in the goods-related sector and operating in the ethnic market (import/export businesses) - is linked to the promotion of their profile as migrants. TIEs that fall in the first category are not in the ethnic enclave (Wilson & Portes, 1980), and they focus less on Morocco and their co-nationals than TIEs falling in the second category; the former also mainly take advantage of their business contacts outside the family and also outside the co-national group. TIEs in the first profile seem to be the higher-skilled group of respondents. They have better linguistic abilities and a more business-focused education compared to other TIEs.

The TIEs who fit the first profile generally follow the process of 'breaking-out' underlined in the literature (Engelen, 2001; Barret *et al.*, 2002; Arrighetti *et al.*, 2014). In contrast, TIEs from the second profile remain strongly connected to their origins, and they do not follow the breaking-out process.

In conclusion, the dissertation contributes to the existing literature in the field of transnational immigrant entrepreneurship, by proposing a partly new conceptual model and addressing the case of Moroccan entrepreneurs in Amsterdam and Milan.



# SAMENVATTING

## (Summary in Dutch)

Dit proefschrift gaat over immigrantenondernemers. Het doel is om te begrijpen welke bronnen immigranten aanboren wanneer zij een bedrijf opzetten dat verbonden is met andere landen dan het land van bestemming. In het bijzonder wordt er gekeken naar hoe deze transnationale immigranten kansen voor hun bedrijven identificeren en benutten. In het proefschrift worden Marokkaanse ondernemers in Amsterdam en Milaan vergeleken, waarbij een vergelijking wordt gemaakt tussen ondernemers die een bedrijf hebben dat nationale grenzen overschrijdt (*immigrant entrepreneurs with a transnational business* – TIEs) en ondernemers met een bedrijf dat zich richt op de markt van het land van bestemming (*immigrant entrepreneurs with a domestic business* – DIEs). Dit proefschrift levert een bijdrage aan de literatuur over transnationaal immigrantenondernemerschap, zowel op theoretisch en conceptueel als op empirisch vlak.

In **Hoofdstuk 2** introduceer ik vanuit theoretisch perspectief een conceptueel model om transnationaal ondernemerschap te analyseren, waarbij het concept van *multifocality* wordt gepresenteerd en de concepten structurele inbedding en relationele inbedding worden gedefinieerd. Zoals de *interactive approach* (Waldinger *et al.*, 1990) en de *mixed-embeddedness approach* (Kloosterman *et al.*, 1999) al hebben benadrukt, spelen bij het ondernemerschap van immigranten zowel de aanwezige mogelijkheden (*opportunity structure*) als de individuele eigenschappen van de ondernemer en diens sociaal netwerk een rol.

Het hier voorgestelde conceptueel model heeft op drie punten een nieuwe benadering, vergeleken met eerdere modellen in de academische literatuur.

- Volgens de *mixed-embeddedness approach* dragen twee aspecten bij aan het creëren van een *opportunity structure*: de politiek-institutionele context en economische omstandigheden. Ik introduceer een derde aspect, namelijk gedragsvormen. Gedragsvormen bestaan uit een set van houdingen, gewoontes en gedragingen die kenmerkend zijn voor individuen uit een bepaalde groep (bijvoorbeeld inwoners van de landen van herkomst en aankomst).
- In de *mixed-embeddedness approach* worden twee verschillende kanten van de inbedding van ondernemers uitgewerkt. Ik bouw hierop verder aan de hand van de

zogenaamde structurele en relationale inbedding (Portes, 1995). Structurele inbedding refereert aan het begrijpen van structurele kenmerken van plaatsen en groepen. Relationele inbedding bestaat uit de persoonlijke relaties en bedrijfscontacten van de ondernemer en de relaties tussen die contacten.

- In tegenstelling tot voorgaande benaderingen van immigrantenondernemerschap, benadruk ik dat ondernemers (vooral TIEs) worden beïnvloed door de omstandigheden en contacten van verschillende plaatsen (zoals land van herkomst en andere landen) en groepen (zoals inwoners van de landen van herkomst en aankomst). Hiermee betoog ik tevens dat om mechanismen achter transnationaal ondernemerschap van immigranten te begrijpen, het onvoldoende is om alleen de relaties met het land van herkomst of land van bestemming te beschouwen. Om deze reden introduceer ik het concept multifocality, in plaats van bifocality (Vertovec, 2004). Multifocality houdt in dat immigrantenondernemers verschillende plaatsen en groepen overwegen in hun bedrijfsvoering.

In het empirisch deel beschrijft dit proefschrift hoe ondernemers met een transnationale onderneming (TIEs) bedrijfskansen ontdekken en benutten. In dit deel van het proefschrift wordt een bijdrage geleverd aan:

- Het onderzoeken van de verschillen tussen TIEs en DIEs betreffende het identificeren en benutten van mogelijkheden en mogelijke verklaringen van die verschillen.
- Het analyseren van de variaties binnen de groep van TIEs op basis van type sector, markt, generatie, en de stad waar de onderneming is gevestigd.

De resultaten zijn gebaseerd op een onderzoek dat is uitgevoerd onder 70 Marokkaanse ondernemers in Milaan en Amsterdam waarbij gebruik is gemaakt van kwalitatieve onderzoeksmethoden, gecombineerd met elementen uit de sociale network analyse (**Hoofdstuk 3**).

In **Hoofdstuk 4** onderzoek ik in hoeverre de *opportunity structure* en structurele inbedding het ontdekken en benutten van bedrijfskansen beïnvloeden. Belangrijk hierbij is het onderscheid tussen drie pijlers van *opportunity structure*: politiek-institutionele context, economische context en gedragsvormen. Uit de analyse blijkt dat *opportunity structure* meer relevant is voor TIEs dan voor DIEs, die minder voordelen ervaren van de structurele omstandigheden van locatie van hun onderneming. Dit geldt met name voor ondernemers die actief zijn op de *mainstream* markt. De andere twee pijlers, economische omstandigheden van plaatsen en gedragsvormen van groepen, vormen een *opportunity structure* waar zowel TIEs als DIEs voornamelijk van profiteren. TIEs benutten de kenmerken van de markt (b.v. verzoeken van Marokkaanse migranten voor Marokkaanse producten) en de productie (b.v. specialisatie in de productie van industriële apparaten), terwijl DIEs enkel kenmerken van de markt benutten. Ik richt me tevens op de vraag welke landen (en daarin verschillende ruimtelijk schaalniveaus) en welke groepen betrokken worden bij de bedrijfsvoering van Ma-



rookkaanse ondernemers. TIEs zijn *multifocal* en *multiscalar* omdat zij vaak zijn verbonden met meer dan twee landen (land van bestemming, Marokko, en een derde land). TIEs gebruiken hun *multifocality* en hun *multi-scalarity* om kansen met elkaar te verbinden. Daarentegen richten DIEs zich met name op de *opportunity structure* van het land van bestemming, en dan vooral op lokaal niveau. Ze zijn *mono-focal* en *mono-scalar*. Echter, wat betreft groepen richten zowel TIEs als DIEs zich voornamelijk op mensen uit het land van herkomst. Daarmee zijn ze *mono-focal*. Oftewel, in tegenstelling tot wat het conceptueel model suggereert zijn TIEs alleen *multifocal* wat betreft plaatsen - en niet wat betreft groepen.

In Hoofdstuk 4 analyseer ik hoe ondernemers kansen herkennen en benutten. Hierbij wordt de rol van de structurele inbedding van de ondernemer onder de loep genomen. Structurele inbedding in Marokko en het land van vestiging is van fundamenteel belang voor TIEs bij het aangrijpen van ondernemingskansen. De inbedding in de co-etnische groep zorgt ervoor dat de TIEs actief kunnen zijn op de markt van de Europese landen, vooral de landen met een hoog percentage van Marokkaanse migranten (b.v. België en Frankrijk). DIEs, In tegenstelling, ervaren vooral een voordeel van hun inbedding in de groep van mensen van het land van aankomst. Wat betreft de inbedding in groepen komt het model dat geïntroduceerd is in Hoofdstuk 2 niet overeen met de empirische data. Het model impliceert namelijk een invloed van verschillende groepen, iets wat ik niet heb gevonden.

**Hoofdstuk 5** beschrijft de resultaten van het empirisch onderzoek naar de rol van relationele inbedding bij het ontdekken en benutten van ondernemingskansen. TIEs hebben meer geografisch verspreide netwerken dan DIE's. De netwerken van DIEs zijn niet alleen meer geconcentreerd in het land van bestemming; ze zijn ook meer geconcentreerd in de stad waar het bedrijf is gevestigd. De bedrijfscontacten van TIEs zijn tevens meer gevarieerd wat betreft nationaliteit, met beduidend meer bedrijfscontacten uit derde landen (niet enkel uit Marokko of het land van bestemming). Daarnaast zijn de netwerken van TIEs over het algemeen groter (meer ondernemingscontacten) en minder dicht dan die van DIEs. Opmerkelijk is dat deze verschillen in het bedrijfsnetwerken al aanwezig waren voordat de ondernemers hun bedrijf hebben opgezet. Dit suggereert dat transnationaal ondernemerschap van immigranten niet zozeer het bedrijfsnetwerk beïnvloedt, maar dat het bestaand netwerk aanleiding kan geven tot transnationaal ondernemerschap.

TIEs profiteren van hun bedrijfscontacten op relatief veel verschillende plekken. DIEs hebben juist vergelijkbare, meer homogene bedrijfscontacten. TIEs en DIEs zijn echter vergelijkbaar wat betreft sterke en zwakke bindingen met hun bedrijfscontacten. TIEs leunen wel duidelijk meer op sterke banden wat betreft buitenlandse bedrijfscontacten.

Daarnaast is het zo dat in vergelijking met DIEs, de contacten van TIEs meer centrale en continuerende support bieden, ondersteunend in het bieden van informatie wat betreft ondernemen in het buitenland.

**Hoofdstuk 6** presenteert de bevindingen van de empirische analyse van de rol van individuele ondernemerskenmerken (zoals opleiding, werkervaring, de mate waarin ondernemerschap in de familie zit) bij het identificeren en benutten van ondernemingskansen.

Marokkaanse ondernemers volgen hierbij verschillende mogelijke wegen. Via de eerste weg wordt er een nadruk gelegd op vorige werkervaringen. De tweede weg is meer verbonden aan de opleiding van de ondernemer. De derde weg manifesteert zich door het combineren van opleiding en werkervaringen in het verleden (doorgaans in dezelfde sector). De vierde mogelijkheid is niet verbonden aan opleiding en ook niet aan werkervaring. In deze gevallen starten de ondernemers met hun bedrijf zonder de voordelen te ervaren van specifieke individuele kenmerken. TIEs en DIEs volgen beide meestal de eerste en de derde weg. Enkele TIEs vertrouwen enkel op hun opleiding. DIEs profiteren niet altijd van hun opleiding of werkervaring. Deze 'afwijkende' patronen illustreren de verschillen tussen TIEs en DIEs – TIEs volgen een wat meer gedistingeerde weg waardoor zij door middel van hun opleiding een onderneming kunnen opzetten.

Meer in het bijzonder is het zo dat TIEs meer kwalificaties hebben op het gebied van ondernemerschap en bedrijfsvoering, en betere taalvaardigheden dan DIEs. Deze taalvaardigheden zijn meestal verkregen voor het opzetten van de onderneming en daardoor hebben TIEs meer mogelijkheden om een bedrijf op te zetten dat nationale grenzen overschrijdt. Daarnaast hebben TIEs over het algemeen een meer pro-actieve houding in hun bedrijfsvoering dan DIEs. Zo blijkt dat TIEs zelf actief op zoek gaan naar ondernemingskansen. Bovendien benutten TIEs de ondernemersachtergrond van hun familie om te innoveren (b.v. het internationaliseren van het familiebedrijf), maar volgen daarbij opvallend genoeg niet enkel het betreden bedrijfspad dat hun ondernemende familieleden hebben gekozen (wat meestal wel het geval is bij DIEs).

Verder onderzoekt dit hoofdstuk of individuele kenmerken van de ondernemer de rol van structurele en relationele inbedding bij het herkennen en benutten van ondernemingskansen, vertekenen. Met andere woorden: worden de verschillen tussen TIEs en DIEs in de mate waarin structurele inbedding (Hoofdstuk 4) en relationele inbedding (Hoofdstuk 5) hun kansen beïnvloeden, misschien verklaard door individuele kenmerken van TIEs en DIEs. De analyse toont aan dat na controle voor deze kenmerken, de resultaten voor structurele inbedding en relationele inbedding overeind blijven. Ik kom dan ook tot de conclusie dat voor de verschillen tussen TIEs en DIEs in de mate waarin zij ondernemerskansen identificeren en benutten, structurele inbedding en relationele inbedding het meest belangrijk zijn.

Tenslotte belicht dit proefschrift de verschillen binnen de groep van TIEs. Twee karakteristieke profielen komen daarbij naar voren. Het eerste profiel is kenmerkend voor TIEs die in de dienstensector (consultancy) actief zijn in de *mainstream* markt, en die in hun bedrijfsvoering en herkenning van kansen voor hun bedrijf vooral hun ondernemende instelling benadrukken. Het tweede profiel komt vooral voor bij TIEs die actief zijn in de handel (import/

export) in de etnische markt, en die vooral hun achtergrond als migrant benadrukken.

TIEs in het eerste profiel richten zich in relatief beperkte mate op Marokko en de co-etnische groep. Zij ervaren vooral voordelen van de contacten buiten hun familie en buiten hun co-etnische groep. TIEs uit het eerste profiel zijn ook hoger geschoold, en hebben meer taalvaardigheden en ondernemingsvaardigheden dan andere TIEs.

De TIEs uit het eerste profiel hebben in het algemeen een 'breaking-out' strategie gevolgd, waarbij ze na verloop van tijd andere markten hebben betreden (Engelen 2001; Barret *et al.*, 2002; Arrighetti *et al.*, 2004). Ter vergelijking: TIEs uit het tweede profiel blijven juist sterk verbonden met de (etnische) markt waarmee ze vertrouwd zijn, en betreden niet actief nieuwe bedrijfspaden.

Dit proefschrift levert een bijdrage aan de bestaande literatuur rondom transnationaal immigrantenondernemerschap door het behandelen van een gedeeltelijk nieuw model en de analyse van Marokkaanse ondernemers in Amsterdam en Milaan.



# RIASSUNTO

## (Summary in Italian)

La tesi si focalizza sulle esperienze imprenditoriali degli immigrati e le pratiche transnazionali ad esse collegate (*transnational immigrant entrepreneurship*). L'obiettivo è quello di comprendere quali risorse gli imprenditori immigrati impiegano per condurre un'attività in stretta connessione con l'estero. Il quesito centrale è come questi identificano e sfruttano le opportunità disponibili per l'attività.

In particolare, il presente lavoro analizza il caso degli imprenditori di nazionalità marocchina ad Amsterdam e Milano, comparando gli imprenditori transnazionali, cioè coloro che portano avanti un'attività fondata su rilevanti contatti fuori dal paese di destinazione (Italia o Paesi Bassi in questo caso), e imprenditori con un business esclusivamente collocato nel paese di destinazione.

In particolare, l'obiettivo della dissertazione è di contribuire al dibattito sul tema delle pratiche imprenditoriali transnazionali da un punto di vista sia teorico/concettuale, proponendo il concetto di multifocalità e ridefinendo quelli di embeddedness strutturale e relazionale, sia empirico, presentando i risultati della ricerca svolta ad Amsterdam e Milano.

Dal punto di vista teorico, il **Capitolo 2** introduce un modello per comprendere meglio questo fenomeno proponendo il concetto di multifocalità (*multifocality*) e ridefinendo parzialmente le nozioni di embeddedness strutturale (*structural embeddedness*) e relazionale (*relational embeddedness*). In linea con quanto evidenziato dall'*interactive model* (Waldinger *et al.*, 1990) e dall'approccio della *mixed embeddedness* (Kloosterman *et al.*, 1999), il modello proposto considera sia il lato della struttura delle opportunità (cioè le opportunità presenti nel contesto in cui gli immigrati sviluppano l'attività) sia quello relativo alle caratteristiche individuali e ai contatti sociali degli imprenditori.

Ad ogni modo, rispetto ai precedenti approcci, il presente modello introduce alcune novità. Innanzitutto, in riferimento alle sfere che contribuiscono alla creazione delle opportunità per il business, il modello propone di aggiungere una nuova sfera alle due principali precedentemente tenute in considerazione dalla letteratura (contesto economico e contesto politico-istituzionale). Questa nuova sfera, denominata modello di comportamento (*modes of*

*behaviours*), si riferisce all'insieme di usi, abitudini, e comportamenti che sono tipici di un determinato gruppo (connazionali, nativi del paese di destinazione, ecc.). Tale sfera permette di comprendere al meglio il ruolo delle caratteristiche dei differenti gruppi. Infatti, precedentemente, questo ruolo era stato tenuto in considerazione solamente come parte della categoria del contesto economico o in relazione al gruppo di connazionali.

Inoltre, partendo dall'idea della bidimensionalità del concetto di *embeddedness* (Kloosterman *et al.*, 1999), il modello ridefinisce parzialmente (rispetto alla precedente formulazione di Portes, 1995) le nozioni di *embeddedness* strutturale e relazionale. In particolare, il concetto di *embeddedness* strutturale considera la profonda e diretta comprensione delle caratteristiche dei luoghi e gruppi in cui gli imprenditori immigrati sono inseriti. Precedentemente, la definizione di Portes teneva in considerazione solo l'inserimento nel paese di destinazione. Riguardo all'*embeddedness* relazionale, invece, la definizione di Portes considerava solamente i contatti con i connazionali. La mia definizione, ricalcante quella più generale di Granovetter (1985), fa riferimento ai contatti che l'imprenditore immigrato possiede e alle relazioni con e fra di essi.

Infine, il modello sottolinea la necessità di considerare la possibilità che gli imprenditori immigrati facciano riferimento per le loro pratiche imprenditoriali a molteplici luoghi (il paese di origine, quello di destinazione e altri paesi) e gruppi (per esempio, connazionali, nativi del paese di destinazione ecc.). Infatti, in contrapposizione a quello di bifocalità (Vertovec, 2004), la tesi presenta il concetto di multifocalità, il quale inerisce la simultaneità di connessioni con molteplici luoghi e gruppi. Il concetto enfatizza come non solo basti considerare le relazioni con il paese di destinazione e con quello di origine, ma si debbano considerare anche le connessioni e i legami con altri paesi.

Da un punto di vista empirico, la presente dissertazione illustra come e attraverso quali processi gli imprenditori immigrati con un business connesso con l'estero identifichino e sfruttino le opportunità disponibili.

Più specificatamente, la tesi mostra le differenze che intercorrono fra imprenditori transnazionali e imprenditori non transnazionali, e quali dissimilarità emergono all'interno della categoria degli imprenditori transnazionali (in base a: settore e al mercato in cui l'attività è collocata; generazione degli intervistati - immigrati di prima generazione o appartenenti alla generazione 1.5 -; città di residenza).

I risultati empirici presentati nella tesi si basano su una ricerca svolta ad Amsterdam e Milano sugli imprenditori immigrati dal Marocco (N=70). L'approccio utilizzato è stato qualitativo ma l'intervista ha alternato domande 'qualitative', misure 'quantitative' e tecniche mutuete dall'analisi delle reti sociali (**Capitolo 3**).

I risultati della ricerca sono illustrate nei Capitoli 4, 5 e 6.

In particolare, il **Capitolo 4** esamina il tema della struttura delle opportunità e dell'*embeddedness* strutturale.

Il capitolo analizza il ruolo delle differenti sfere che contribuiscono a creare la struttura delle opportunità e l'importanza di questa per l'attività imprenditoriale. Questo avviene specialmente per gli imprenditori transnazionali, i quali basano la loro attività sulle differenti condizioni strutturali dei luoghi con cui hanno contatto per l'attività, la struttura delle opportunità risulta fondamentale. Al contrario, gli imprenditori non transnazionali spesso hanno percorsi imprenditoriali poco connessi alle peculiarità e alle condizioni strutturali dei contesti con cui hanno a che fare per l'attività. Questo avviene in particolar modo per coloro che hanno attività in un mercato generalistico; invece, gli imprenditori non transnazionali che si focalizzano su un mercato etnico sfruttano generalmente le opportunità create dalla concentrazione del gruppo di connazionali nella città in cui svolgono l'attività. Ad ogni modo, per entrambi i gruppi il contesto economico e i modelli di comportamento producono le opportunità che gli imprenditori sfruttano maggiormente.

In particolare, le opportunità sfruttate dagli imprenditori transnazionali vengono prese da differenti paesi e scale territoriali. A questo proposito, gli imprenditori transnazionali sono multi-focali e multi-scalari, considerato che non solo fanno riferimento al paese di origine e a quello di destinazione, ma anche ad ulteriori paesi e a differenti scale territoriali (sia a livello locale, sia nazionale). Contrariamente, gli imprenditori non transnazionali si focalizzano solo sulle opportunità presenti nel paese di destinazione, esclusivamente a livello locale. Pertanto essi possono essere definiti mono-focali e mono-scalari.

Per quanto riguarda i gruppi da cui le opportunità vengono estrapolate, entrambi i gruppi fanno principalmente riferimento ai connazionali, risultando così sono mono-scalari. A questo proposito, rispetto a quanto suggerito dal modello presentato nel Capitolo 2, e cioè che gli imprenditori transnazionali sono multifocali sia in relazione sia ai luoghi sia ai gruppi, i risultati empirici sottolineano come questi siano in verità mono-focali per quanto riguarda il lato dei gruppi.

Infine, il capitolo analizza il tema principale della tesi - tematica ampliata nei capitoli successivi -, ossia come e grazie a quali risorse gli imprenditori sfruttano le opportunità disponibili. Più specificamente, gli imprenditori transnazionali sfruttano la loro *embeddedness* strutturale in Marocco, nel paese di destinazione e nel gruppo di connazionali. Il fatto di essere inseriti (*embedded*) in questo gruppo permette loro di essere connessi con determinati paesi europei - in particolare quelli dove vi è un numero rilevante di immigrati provenienti dal Marocco, per esempio Belgio e Francia - e di sfruttare il mercato (solitamente creato dai connazionali stessi) di questi paesi per la propria attività. Gli imprenditori non transnazionali, invece, sfruttano solamente la loro *embeddedness* nel paese di destinazione e nel gruppo di connazionali.

**Il Capitolo 5** si concentra invece sull'*embeddedness* relazionale e su come questa viene usata per cogliere le opportunità disponibili.

Rispetto agli imprenditori non transnazionali, gli imprenditori transnazionali sono inseriti in reti sociali i cui i componenti meno frequentemente si conoscono tra di loro (reti sociali meno dense), che sono composte da più persone, e che si estendono maggiormente dal punto di vista

spaziale. Infatti i contatti per l'attività imprenditoriale degli imprenditori non transnazionali sono esclusivamente localizzati nel paese di destinazione e la maggior parte di questi risiede nella città dove l'attività è situata, mentre i contatti degli imprenditori transnazionali si estendono al di là del paese di destinazione, avendo essi contatti sia in Marocco sia in altri paesi.

Inoltre, le reti sociali degli imprenditori transnazionali sono anche maggiormente variegata dal punto di vista della nazionalità dei contatti. Infatti, oltre a connazionali e nativi del paese di destinazione, gli imprenditori transnazionali si rivolgono a un gruppo numericamente rilevante di persone che proviene da paesi terzi. Questa maggior varietà (sia spaziale sia riguardante la nazionalità) relativa ai contatti che gli imprenditori transnazionali possiedono farebbe presagire un alto numero di legami deboli (conoscenti e contatti esclusivamente di lavoro). Al contrario, il ruolo dei legami forti e familiari è particolarmente importante (sia in termini di persone nel *business network* sia di supporto fornito per l'attività) per quanto riguarda gli imprenditori transnazionali (in misura uguale agli imprenditori non transnazionali).

La differenza nella composizione e nella struttura delle loro reti sociali (legate all'attività) riflette la tendenza degli imprenditori transnazionali a connettere contatti diversi (per nazionalità, luogo di residenza, relazione con l'imprenditore) per identificare e cogliere le opportunità, in contrapposizione alla predisposizione degli imprenditori non transnazionali ad usare risorse provenienti da un gruppo omogeneo di persone.

Dalla ricerca emerge come la composizione e la struttura delle reti sociali e le differenze tra imprenditori transnazionali e non siano pregresse rispetto all'attività. Infatti, prendendo in considerazione solo la parte della rete già esistente prima dell'avvio dell'attività, le differenze fra imprenditori transnazionali e imprenditori non transnazionali risultavano già presenti.

In generale, i contatti degli imprenditori transnazionali hanno un ruolo maggiormente centrale per cogliere le opportunità disponibili. Infatti questi spesso forniscono informazioni fondamentali per la parte dell'attività svolta all'estero o, in alcuni casi, contribuiscono a gestirla.

Il **Capitolo 6** tratta del ruolo che le caratteristiche individuali degli imprenditori (ad esempio: istruzione, esperienze lavorative pregresse, background familiare imprenditoriale) giocano nel riconoscere e cogliere le opportunità. Gli intervistati seguono alcuni percorsi ricorrenti per avviare e condurre l'attività (oltre a identificare e sfruttare le opportunità disponibili). Quattro sono i percorsi che si sono individuati. Il primo è basato sulle esperienze lavorative precedenti, le quali forniscono competenze e conoscenze utili per l'attività; il secondo è connesso alle competenze acquisite attraverso l'istruzione; il terzo percorso si basa sulla combinazione di istruzione ed esperienze lavorative pregresse, solitamente nello stesso campo e settore; il quarto è invece caratterizzato dall'avvio e dalla conduzione dell'attività da parte dell'imprenditore senza sfruttare né il proprio percorso educativo né esperienze lavorative pregresse. Sia gli imprenditori transnazionali, sia quelli non transnazionali sembrano prediligere il primo e il terzo percorso. Ad ogni modo, gli imprenditori transnazionali presentano anche casi in cui l'istruzione svolge un ruolo fondamentale, mentre dalla ricerca emer-



gono esempi di imprenditori non transnazionali che non sfruttano istruzione ed esperienza lavorativa precedente. I casi che non ricadono nel primo e nel terzo percorso sintetizzano perfettamente le differenze fra imprenditori transnazionali e imprenditori non transnazionali per quanto concerne l'uso delle caratteristiche individuali per l'attività. I primi sembrano presentare percorsi imprenditoriali maggiormente virtuosi e che poggiano in misura maggiore sulle competenze acquisite attraverso l'istruzione.

In particolare, dalla ricerca emerge che gli imprenditori transnazionali hanno un'istruzione maggiormente indirizzata verso l'attività imprenditoriale (per esempio in Management o Economia), migliori competenze linguistiche e un'attitudine maggiormente pro-attiva rispetto agli imprenditori non transnazionali.

Il capitolo investiga anche se le (parzialmente) differenti caratteristiche individuali dei due gruppi di imprenditori immigrati siano alla base delle differenze nell'uso dell'embeddedness relazionale e strutturale per sfruttare la struttura delle opportunità. A parità di caratteristiche individuali (ad esempio, il livello di istruzione) le differenze rimangono simili nella maggior parte dei casi.

La tesi fornisce anche alcuni spunti riguardanti le differenze presenti all'interno della categoria degli imprenditori transnazionali (Capitoli 4, 5 e 6). Due differenti profili emergono a questo proposito. Il primo, tipico degli imprenditori transnazionali nel settore dei servizi e operanti in un mercato generalista, è caratterizzato da imprenditori che fanno riferimento e sfruttano il proprio profilo imprenditoriale. Il secondo profilo, invece, che è più diffuso fra imprenditori operanti nel settore dell'import/export (o similari) e in un mercato solitamente etnico, è composto da imprenditori che promuovono (per l'attività) maggiormente il loro essere migranti.

Il primo profilo ricalca il processo che la letteratura chiama *'breaking-out'* (Engelen, 2001; Barret *et al.*, 2002; Arrighetti *et al.*, 2014), mentre invece il secondo è più legato al gruppo di connazionali. Gli imprenditori transnazionali che appartengono al primo profilo, infatti, non rimangono nell'"enclave etnica" (Wilson e Portes, 1980) e sono meno legati al Marocco e al gruppo di connazionali. Per l'attività essi hanno meno contatti con persone connazionali e con familiari. Gli imprenditori in questo profilo sono fra quelli che hanno una migliore istruzione e maggiori competenze linguistiche.

In conclusione, la tesi si concentra sul tema delle attività imprenditoriali transnazionali condotte da persone immigrate. Attraverso la proposta di un nuovo modello teorico/concettuale e analizzando il caso degli imprenditori marocchini ad Amsterdam e Milano, la tesi contribuisce al dibattito sull'argomento. In particolare, essa fornisce nuovi spunti concettuali ed empirici riguardo alle modalità con cui gli imprenditori transnazionali sfruttano le opportunità disponibili (struttura delle opportunità), con peculiare attenzione alle differenze che intercorrono fra questi e gli imprenditori non transnazionali. Inoltre, la tesi sottolinea le differenze presenti all'interno del gruppo di imprenditori transnazionali, a seconda del tipo di attività, della città di residenza e delle caratteristiche dell'imprenditore.

