



Immigrant Entrepreneurship: Creating New opportunities

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Jan Rath

Universiteit van Amsterdam, Institute for
Migration and Ethnic Studies (IMES)

<http://users.fmg.uva.nl/jrath>



Immigrants as Entrepreneurs

- › Many advanced economies, especially their larger cities, have acquired a more cosmopolitan outlook
- › Immigrants embody the complex process of globalization in a very palpable sense
- › Some start businesses in their countries of settlement and become 'self-employed' or 'immigrant entrepreneurs'
- › By becoming self-employed, immigrants acquire different roles than immigrants who become workers
- › By becoming self-employed, immigrants also acquire different roles than mainstream entrepreneurs.



Facts and figures

- › Definition of ‘immigrants’ or ‘ethnic’ minorities is contingent on the specific national incorporation regime and differs from country to country
- › Definition of ‘entrepreneurship’ or ‘self-employment’ also depends on the regulatory regime and differs from country to country
- › Availability of statistical data is contingent on these definitions and is thus product of national idiosyncrasies
- › International comparisons are iffy without a sound uniform conceptual and statistical base of immigrant self-employment
- › “There is nothing more practical than good theory”. But: research on immigrant entrepreneurship has taken its own theoretical path in the past three decades and has usually been national or local in focus



Uneven Developments

- › Immigrant self-employment rates differ
 - § from country to country
 - § from city to city
 - § from ethnic/national (sub)group to ethnic/national (sub)group
 - § from sector to sector
 - § from period to period
- › Immigrant entrepreneurs tend to gravitate to
 - § retail and catering, although their involvement in the service industries is on the rise
 - § the lower end of these sectors, although they are increasingly penetrating the higher end
 - § working-class neighborhoods, although they are increasingly venturing into middle-class neighborhoods as well as CBDs



Supply side perspectives

- › Revolves around immigrants as the *dramatis personae* of the small business economy
- › Focus on their resources / capital
 - § Human capital (education, experience etc)
 - § Cultural capital (cultural endowment)
 - § Social capital (embeddedness in social networks)
- › Access to these forms of capital shapes business operations and, consequently, business success, or lack of it
- › Example: acquiring financial capital



Demand side perspectives

- › Economies in which entrepreneurs operate are not given, undifferentiated, or unregulated
- › Different markets offer different opportunities and obstacles, demand different skills, and lead to different outcomes in terms of business success or—at a higher level of agglomeration—a different ethnic division of labor
- › There is an array of (governmental and non-governmental) regulatory structures that promote certain economic activities while inhibiting others
- › (Immigrant) entrepreneurs' concrete relations and transactions are embedded in a more abstract way in wider economic and politico-institutional structures: *mixed embeddedness*
- › Regulation, to be sure, is not just a matter of repression and constraining, but also of enabling – sticks and carrots



Policies

Aiming at supply side:

- › training aspiring entrepreneurs
- › increasing access to financial capital
- › appreciating cultural capital
- › strengthening economically relevant social networks or opening up social networks of mainstream entrepreneurs

Aiming at demand side:

- › privatizing and deregulating, while taking account with conditions of specific markets and with complex institutional interdependencies of market economies
- › matching supply and demand



Thank you