Migrant Entrepreneurship: A Background Explanation to the European and Spanish Dynamics

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Abstract. Migration is no doubt a global phenomenon, and any country that intends to thrive economically in this present dispensation must accord a high premium to its migration policies. Numerous areas are being explored in the field of migration, but this piece has gravitated exclusively towards the sphere of entrepreneurship. This is a review of the literature that totally encapsulates works that have been initially carried out by scholars in the academic space of migrant entrepreneurship and it has particularly focused on Europe. In this regard, the mixed embeddedness theory by Kloosterman was adopted as the lens through which this work was scientifically projected. Invariably, a broad dissection of various scholarly perspectives on the entirety of migrant entrepreneurship in Europe was established. This work also discusses the historical perspective and the economic opportunities of migration in Europe. In addition, academic publications on the determinants of immigrants' selfemployment were analysed in depth.

Keywords: Migration; Entrepreneurship; Self-employment; Mixed Embeddedness

El espíritu empresarial de los migrantes: una explicación de los antecedentes de la dinámica europea y española

Resumen. La migración es, sin lugar a dudas, un fenómeno global, y cualquier país que pretenda prosperar económicamente en la coyuntura actual debe conceder una gran importancia a sus políticas migratorias. Se están explorando numerosas áreas en el campo de la migración, pero este artículo se centra en la esfera empresarial. Se trata de una revisión bibliográfica que engloba los trabajos realizados por académicos sobre el espíritu empresarial de los migrantes, centrada especialmente en Europa. En este sentido, se ha adoptado la teoría de la inserción mixta de Kloosterman como el enfoque científico principal para este artículo. De este modo, se han diseccionado diversas perspectivas académicas sobre el conjunto del espíritu empresarial de los migrantes en Europa. Este estudio también trata la perspectiva histórica y las oportunidades económicas de la migración en Europa. Además, se analizan en profundidad las publicaciones académicas sobre los determinantes del autoempleo de los migrantes.

Palabras clave: migración; espíritu empresarial; autoempleo; inserción mixta

1. Introduction

Although the presence of immigrants has been a fact of life in Spain for many years, these could be primarily categorized as European migrants because they were people of European descent.¹ However, the Spanish economy witnessed a proliferation of diverse immigrants in the late nineties due to a market that was largely favourable to unskilled labour (Rodríguez, 2002).

This secondary market experienced a boom and the unskilled migrants from different countries around the world took advantage of this situation. However, the narrative changed after the Spanish economy experienced a downturn. And consequently, migrants were inspired to find solace in entrepreneurship in order to survive in the economy (Vitores *et al.*, 2020).

Prior to the economic downturn, migration into Spain had already become preponderant as most of the countries in the Global South experienced economic hardship. It was established that the foreign population grew from 2% in 1998 to 12% in 2013. Despite the economic crisis that was at its apex in Spain in the period encompassing late 2008 and 2009, the country continued to experience a high inflow of immigrants even as it became evident that there was low availability of economic opportunities (Oliver Alonso, 2011; 2012).

The Spanish economic crisis stimulated structural changes in the immigrant labour market. Employment opportunities shifted from the Construction and Industry sector to the Service Sector. This circumstance invariably created space for ethnic minority self-employment and entrepreneurship, as the means to be gainfully employed had already been truncated (Oliver Alonso, 2013).

Apparently, the shrinking of the labour market and the inability to be gainfully employed pushed many jobless people to seek self-employment. This untoward employment situation led to necessity-driven or push entrepreneurship and also to an increase in the number of migrant self-entrepreneurs entering the market (Parker *et al.*, 2012).

According to the historical precedents, the self-employment rate among the native Spanish had been 50% higher than that of immigrants. However, this narrative began to change during the economic crisis as the rate of selfemployment of immigrants began to sky-rocket. Notably, in 2015, the difference in the rate of self-employment was only 2%, as opposed to 50% in the year 2008 (Vitores *et al.*, 2020).

However, this rapid increase in and availability of self-employment opportunities that present themselves to migrants does not naturally shield them from challenges, as they face various obstacles while running their businesses,

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particularly in the Spanish region of Catalonia. Migrant entrepreneurs experience financial difficulties because of a lack of savings and limited access to credit. Difficulties in obtaining work permits and the wariness of native Spaniards towards firms created by immigrants were among other problems encountered (Sala & Criado, 2005). In its contribution to the body of knowledge, this article provides a theoretical background explanation for European migrant entrepreneurship from the perspective of the Spanish economy.

2. Theoretical Framework

Migrant economy is a concept that emanated from the United States of America. This was in a bid to study and measure the level of self-employment and entrepreneurial opportunities available to the migrant population in the seventies (Vitores *et al.*, 2020). This effort had given way to the emergence of diverse theoretical underpinnings in this field. However, given the objective of this review, the Mixed Embeddedness theory, originally posited by Kloosterman, and classified under the Classical Ethnic Economy approach, was adopted as the lens through which this paper was carefully dissected.

More importantly, because this work primarily focuses on Spain, it was tenable to adopt the mixed embeddedness theory, mainly due to the fact that it was the only migrant economy approach developed in Europe. This theory lends credence to the early contribution of Granovetter (1985) to the embeddedness concept (Jones & Ram, 2007). It connotes that the operation of business is contingent on the political and economic structure of a given country, coupled with the availability of social networks that enable access to resources. Mixed embeddedness theory was proposed by Kloosterman and Rath (2001) and a more refined version of it was later developed by the former (R.C. Kloosterman, 2010), where he focuses on and considers the role of demand and supply with respect to minority business. Furthermore, the embeddedness theory was broadened by Solano with the introduction of the term multifocality, which was applicable to both people and places. This term was defined as the structural and relational embeddedness of migrants in places and groups, while embeddedness in itself was regarded as the level to which immigrants' actions are influenced by their interactions with places and groups (Solano et al, 2022). The literature cited in this article was primarily extracted from the Scopus database, with further searches on the Google scholar platform.

2.1 Demand

The demand side of the theory is indicated by the opportunity structure considered by Waldinger (Seale, 1987). However, due to the vast number of regulations in the European economy, which is obviously greater than that of the United States, European scholars tend to place a higher premium on an additional aspect of the macro-level environment. The two dimensions of opportunity structure, which are market accessibility and market growth potential, are a reflection of the impact and upward social mobility of migrant entrepreneurship. These dimensions of opportunity structure are both rooted in and dependent on the political-economic environment and the legal structure that gives it legitimacy.

2.2 Supply

The supply side of embeddedness according to Kloosterman refers to the immigrant entrepreneurs who are conventionally restricted to the marginal sectors, whose earnings and skills are not substantive and are also characterised by financial barriers and low growth (R.C. Kloosterman, 2010). Nonetheless, subscribing to the appropriate social networks could help entrepreneurs to alleviate their business difficulties.

In the same vein, all the aforementioned factors gave birth to the three models of embeddedness, classified as: American, Rhineland and Nordic. The American model of embeddedness connotes that entrepreneurship is propelled by the availability of opportunities. However, both the Rhineland and Nordic models state that necessity propels people into venturing into entrepreneurship.

2.3 Southern European model

This model of mixed embeddedness was postulated by Spanish scholars to birth a reflection of mixed embeddedness in the most suitable Spanish context. This was referred to as the Southern European model, which exhibited the realities of the Spanish economy, characterised by a high unemployment rate, low quality of jobs and the preponderance of the non-formal economy (Arjona Garrido & Checa Olmos, 2009).

3. Historical Precedents of Migration in Europe

Migration is undoubtedly a social phenomenon, and it is a practice that has been with us since time immemorial. This is not only limited to Europe, but it cuts across every continent in the world. However, the period from 1820 to the First World War unveiled the realities of migration; and within this hundredyear period, 55 million Europeans emigrated to the following continents in this proportion; North America (71%), South America (21%) and Austral-Asia (7%). This added up to a total average of around 300,000 up to the 1870s, rising to a peak of 1.4 million in the years before the First World War (Ferrie & Hatton, 2015). The great surge in emigration starting in the 19th century was overwhelmingly dominated by southern and eastern European countries, notably Italy, Spain, Austria, Hungary, and Russia. Such statistics tend to hide huge differences in emigration rates. The highest was Ireland, with a gross emigration rate of 13 per thousand per annum, and this was between 1850 and 1913. Scandinavian countries such as Sweden and Norway had rates tending towards five per thousand in the period 1870-1913, while the rates for Germany and Belgium were less than two per thousand and the rate was very minimal in France (Ferrie & Hatton, 2015).

In the Hesse-Cassel region of Germany, between 1832 and 1857 emigration rates were highest for villages where land availability was limited, where wages were lower, and where there was some history of emigration. During this period, the highest emigration rates were among artisans; those with transferrable skills and tangible resources to emigrate. On the other hand, the mobility of unskilled labourers was often more truncated (Wegge, 2002). In this regard, the importance of networking cannot be overlooked. This can be seen in the benefit obtained by people who make the most of their own network of contacts and associates, allowing them to gain a lot of leverage from it without having to necessarily operate with large amounts of cash in the process of perfecting business dealings (Wegge, 1998). And as successive European countries ventured into transatlantic migration, they invariably paved the way for more migrants. In the decades after 1870, half of the Danish emigrants and nearly two thirds of the Irish emigrants were between the ages of 15 and 29, in comparison with less than a third of the home populations (Hatton and Williamson, 2005, p. 78).

Overall, immigration policies seem to have become more restrictive since the 1990s. The United Nations periodic survey of government views and policies found that among developed countries, the proportion of governments that believed immigration had skyrocketed and then peaked was at one third in the mid-1990s, whereas three fifths of governments were aiming to reduce it. Since

then, the curve of both indices has sloped downward in the developed world, a trend that is much less evident for less developed countries. However, for developed countries, a gradual loosening of policies can also be noted in indices relating both to the entry of immigrants and to the conditions under which their stay can be legalized (Ortega & Peri, 2012). This trend continued up to the early 2000s, but has since been reversed. Despite all the measures put in place, immigrants, most especially from the global south, still devise means to gain entrance into European territory. In the midst of all this, global institutions still posit that migration has its own advantages and provides enormous economic opportunities.

4. Economic Opportunities and Inefficiencies of Migration in Europe

Europe is facing an ageing problem. If not addressed, it will have an impact on the entire demographic profile of the continent. There is significant evidence showing that Europe could enhance its competitiveness in the global space through the efficient use of human capital to improve its growth potential. It is also obvious that without migration inflows that are sustainable, achieving the growth of the European continent could be a herculean task.

Migration can help to regulate the drag of ageing and stimulate much-needed productivity growth, but it can only help improve the European demographic reality to a certain extent. The complexity of migration and the many aspects it naturally influences makes its management by policy makers very complex and meticulous. The pursuit of economic efficiency could clash with the public's reaction to incoming refugees. Also, the desire of receiving countries to address skills shortages can correspondingly come at the cost of significant brain drain for the sending countries (European Investment Bank, 2016). This notion makes European policy makers face an overwhelming challenge. The management of migration in the EU is intertwined with responsibilities of Member States, coupled with some European-wide policies, while the policy area is inherently affected by ideological differences that make consensus difficult to reach. The recent refugee crisis has highlighted severe limitations in EU migration policies and the inadequate coordination of policy across Member States. The European Commission launched a new EU agenda for migration in May 2015, which had given birth to several measures to stabilise the situation. The relocation schemes for refugees across Member States, the so-called hotspot strategy and the new EU coast guard revealed that the European Commission has adopted a more

coordinated approach towards mitigating the effect of migration. However, there is still more to be done to facilitate the integration of migrants into local labour markets, most especially in the area of minimizing the waiting period to receive work permits, access to language courses, as well as improving visa facilitation schemes (European Investment Bank, 2016). People moving to Europe in a bid to seek asylum are the group of migrants registering the lowest employment rates. The elimination of some barriers to employment would be of great advantage to migrants in general and asylum seekers. Immigrants' employment rates are higher in countries where starting salaries and employment protection are low (Aiyar et al, 2016).

The housing situation is another key area that is noteworthy. The inadequate state or non-availability of affordable housing might generate barriers for internal mobility and inhibit migrants from moving to areas where labour demand is high (Aiyar *et al.* 2016). It is fair to project that migratory flows into the EU will remain strong in the foreseeable future. The driving forces propelling those flows are the culmination of demographic pressures and poverty levels in Africa and the Middle East, coupled with the man-made and natural disasters in those regions, which are unlikely to disappear any time soon. Overall, the EU has a better chance to benefit from migration (European Investment Bank, 2016).

5. European Migrant Entrepreneurship

Ward and Jenkis (1984) gave a broader developmental view of the studies of migrant entrepreneurship in Western Europe, while Simon (1993) focused his studies of migration on the United Kingdom and France. These scholarly publications opined that migrants play significant roles in small and mediumsized enterprises. In the same vein, the administrative and legal barriers for migration within the European Union have been reduced in the wake of the Single Market Programme. The main feature of economic restructuring in recent decades has been a paradigm shift from employment in large firms to self-employment in small firms. Generally, immigrants tend to venture into self-employment more than similarly skilled native-born workers (Verheul et al. 2001). This has been the common practice among migrant groups within the continent of Europe since 1980 (Baycan-Levent & Nijkamp, 2007). There are four identified flows of entry for migrants: labour migration, family reunification, asylum, and the undocumented route (Stalker, 2002). The surge in the number of migrant entrepreneurs gave birth to a corresponding rise in the volume of literature and data published by scholars and governmental institutions like the European Commission, and general private surveys. The importance of migrant

entrepreneurship in Europe is acknowledged by policy makers and scholars. In 2010, an innovative analytical framework called "Model of the Opportunity Structure" was developed for the analysis of migrant entrepreneurship (Kloosterman, 2010). Kloosterman effectively explains the relationship between opportunities and access to markets. Due to market opening that creates room for the emergence of new businesses, entrepreneurs have sufficient demand for a certain bundle of products. His model is bipolarly separated into differences in entry barriers and dynamics. The relationship between opportunities, resources and outcomes of immigrant entrepreneurship is presented as dependent on the business and market in question, meaning that the most efficient conclusions can be easily projected. A great advantage of the presence of migrant entrepreneurs is that they serve as a source of revenue for the government and impact the local communities through job provision and urbanization (Marques, C.S.E et al, 2022). Migration provides many benefits and contributes immensely to economic growth and the creation of new jobs (Baycan-Levent & Nijkamp, 2007). These benefits are strongly connected with the willingness to utilise opportunities across regions, and the supply of jobs stabilises the flow of people seeking work (Baycan-Levent & Nijkamp 2007). Since entrepreneurship is one of the frequently adopted ways to avoid unemployment in a host country, it is expected that migrants will make a firm effort to choose self-employment. Over recent decades, migrant enterprises have primarily been located in the European urban economy, and this has invariably made the largest cities in Europe become vibrant multicultural economies (Baycan-Levent & Nijkamp, 2005). These ethnic economies give a face-lift to social and economic change in European cities. These changes are characterised by the presence of immigrants, the challenge of a society dominated by people of different cultures, and new forms of integration between foreigners and locals (Baycan-Levent & Nijkamp 2005). Also of note is the integration of immigrants in the sphere of work, coupled with the problems of the expansion of informal activities (Mingione, 2002). From another perspective, we need to consider the opportunities being created for cities due to the revitalization of formerly derelict shopping streets, introducing new products and new marketing strategies (Masurel et al. 2004). These give room for trade links between distant areas, fostering the emergence of new spatial forms of social cohesion (Kloosterman et al. 2002). However, after a comparative evaluation, the European models of migrant entrepreneurship were identified and the determinants of migrant entrepreneurship in Europe became evident, and this can partially describe the country-specific developments according to the level of integration of migrants (Baycan-Levent & Nijkamp 2005).

6. Determinants of Immigrants' Self-Employment

Scholars in the field of migrant entrepreneurship have placed a lot of emphasis on the factors that lead to immigrants' choice to opt for self-employment. These factors range from seamless access to investment, to the financial opportunities provided by the host country and the interconnectivity or differences generated by cultural characteristics in entrepreneurial activities (Light 1972; Aldrich & Waldinger 1990; Butler & Herring 1991; Clark Drinkwater 1998; Hammarstedt 2001; Constant et al. 2003; Levie 2007). Many studies placed a premium on how immigrant entrepreneurs from the same cultural background come together in a host country to organise a formidable homogenous group to provide support to one another and grant easy access to cultural products or resources. However, heterogeneity still exists among immigrants within the same cultural group. This is because there are still differences in terms of human and financial capital funding. Although, empirical studies have not unanimously proven the existence of any major factor that drives immigrants towards being self-employed, it has been established that immigrants have a higher tendency to venture into entrepreneurship than the natives (Irastorza & Peña 2007). However, not all individuals who venture into entrepreneurship become successful in their quest. The reason for this could be down to various issues, like: difficulties in sourcing capital, statutory challenges in securing a work permit, inadequate business knowledge, liability of foreignness etc. (Irastorza & Peña 2006). Likewise, when immigrants stumble upon a business opportunity that seems to have a high potential for profitability, it might lure them to leave aside their initial or original business plan. This attitude usually slows down their progress and it can create ill feeling if their initial positive business expectations did not materialise as projected. Two major factors propel immigrants into entrepreneurship, namely: self-induced and socio-cultural factors.

6.1 Self-induced Factors

It is quite natural for individuals who have strong financial prowess, high educational background, good business acumen, robust work experience and are older in age, to tend to have the possibility of creating their own business ventures (Butler & Herring 1991; Bates 1997; Mata & Pendakur 1999; Arenius & Minniti 2005; Levie 2007). Their possession of social and financial capital naturally propels them towards self-employment. Invariably, the duration of the stay in the host country is a major factor that influences one's decision in owning a business. An individual who had stayed in a host country for many years is

assumed to already understand the social, cultural, and economic dynamics of the country, which will in turn enable them to carve a niche for themselves in the entrepreneurship space. However, this notion is not empirically corroborated. This is because while some studies agreed that there is a strong relationship between the duration of stay in a host country and the tendency to be selfemployed (Razin 1999; Hammarstedt 2001; Schuetze 2005), other authors made the assertion that there is no relationship between them (Bauder, 2005). In the same regard, there is yet to be an empirical conclusion or consensus that there is a positive relationship between level of education and the probability of owning a business. While some authors opined that there is a relationship between level of education and the will to own one's business (Evans 1989; Razin 1999; Bates 1997), others disagreed with this idea (Mata & Pendakur 1999; Hammarstedt 2001, 2004). However, other scholars argued that level of education is not an inhibition to one's zeal to start a business, but rather emphasised that level of education informs the choice of sector to tilt the business towards. It was studied that individuals with a high level of educational skills have an enormous tendency to establish their businesses in the service sector, while immigrants with a low educational level find it easier and more tenable to pitch their business tents in the construction sector (Bates, 1997). It can be generally deduced that immigrants need to up-skill and enhance their educational level to flourish in the business terrain of their host country. Sociodemographic features like gender, country of origin, and individual income may influence the desire or intention to set up a business, but this assertion is yet to be empirically buttressed. In this same context, some studies already proved that men have a much higher tendency to create businesses than women (Butler & Herring 1991; Bates 1995; Verheul et al. 2006; Levie 2007). One of the factors that generally motivate women to venture into entrepreneurship is the higher level of unemployment amongst them in comparison with their male counterparts (Kofman et al, 2005). This is applicable to both immigrant and native women, as they venture into entrepreneurship in a bid to fill this economic gap. Another interesting aspect is that female immigrants tend to play supporting roles in small businesses, rather than that of outright ownership. In general terms, immigrants are more likely to venture into entrepreneurship than native populations (Hammarstedt 2001; Schuetze 2005; Levie 2007). The brave decision to leave one's country of origin and settle in a foreign country is the beginning of a great adventure that is fraught with different kinds of risk. Immigrants are quite aware of this reality and venture into entrepreneurship with the mind-set of engaging in any business activities without minding the risks

that could be involved. In some other cases, immigrants see entrepreneurship as a channel to leave their home country and successfully settle in their host country (Zimmermann et al, 2003). Immigrants are also likely to venture into entrepreneurship due to underemployment or their inability to get absorbed into the labour force of their host country (Light 1972;1979). Then, the entrepreneurship space invariably becomes an avenue for the marginalised group to earn a living and flourish economically (Constant et al. 2003; Constant and Zimmermann 2004; Bauder 2005). In this situation, the act of embracing entrepreneurship now becomes necessity-driven rather than being based on opportunity, and this gives immigrants the potential to outnumber their native counterparts in the entrepreneurship field. The cognitive or mental processes of the immigrants is also very germane to the quest of setting up a business (Mitchell et al. 2002b). This is important because it has been found that most of the decisions made by potential entrepreneurs are not objective, but rather based on subjective perceptions (Arenius & Minniti, 2005). Furthermore, the desire to go down the path of entrepreneurship is contingent on the ability to bear risk, as fear of failure could have a negative impact on the potential business (Lee, Wong and Ho 2005; Arenius & Minniti 2005; Verheul et al. 2006; Levie 2007). In the same regard, having strong self-employment abilities and techniques has a high impact on business creation (Mitchell et al. 2000; Lee, Wong and Ho 2005; Arenius & Minniti 2005; Levie 2007). The choice to be self-employed is mostly informed by the perception of local entrepreneurial opportunities (Levie, 2007).

6.2 Socio-Economic and Environmental factors

Among the factors that make up immigrants' overall personal dimension is the way of life in their country of origin and the current society in their host country, and these influence their aspiration in venturing into self-employment. Lending credence to social cognitive theory, knowledge and skills are developed through human interactions in our immediate environments (Wood & Bandura 1989). The accumulation of these various skills, techniques and knowledge is what spurs the immigrants desire to start a company. Empirical studies also revealed that a concept called cross-country idiosyncrasies has an influence on immigrants' entrepreneurial cognition and zeal to launch a business (Busenitz & Lau 1996; Mitchell *et al.* 2000; Mitchell *et al.* 2002a; Uhlaner & Thurik 2003). Notwithstanding this, immigrants have the tendency to exhibit the culture of their country of origin in their host country, especially if the culture is being held in high esteem. In addition, religion, ethnicity, entrepreneurial tradition, and the region the immigrants come from have an effect on their choice to take the path of self-employment (Light 1972; Aldrich & Waldinger 1990; Butler & Herring 1991; Clark & Drinkwater 1998; Hammarstedt 2001; Constant *et al.* 2003; Levie 2007). Also, the environmental factors and the political climate of the host country cannot be overlooked, as they contribute immensely to the decision, success, or failure of the immigrants' potential businesses. If a host country is experiencing a form of political instability, it undoubtedly affects or inhibits the overall well-being of immigrants, including their ability to construct a viable business idea. A sane environment with a good cosmopolitan character naturally attracts people and becomes a viable space for business to thrive (Fotopoulos & Spence 2000; Morales & Peña 2003; Wagner & Sternberg 2004; Van Stel *et al.* 2006). However, in some cases, negative factors like discrimination do propel immigrants to venture into personal business. This happens when they find themselves in a highly discriminatory work environment.

6.2.1 Discrimination; a push towards Migrant Entrepreneurship

When a minority group is being treated in a condescending manner or as inferior by a majority group, irrespective of the obvious productive capabilities of the minority group, then we can categorically say that they are being discriminated against (Arrow, 1973). Studies had proven that discrimination can be found in different sphere and spaces, which can include discrimination against employees, employers and even consumers (Nardinelli & Simon 1990). In fact, factors that motivate immigrants into venturing into self-employment are mostly predicated on the discrimination they encounter in the labour market of their host country (Min, 1988).

Self-employments also serves as an alternative to low-paying jobs in a secondary sector characterised by discrimination. However, studies have also revealed that it is not only entrepreneurial behaviour that can be influenced by discrimination, but also the business strategy being implemented by the entrepreneurs. Discrimination experienced by immigrants can propel them to put up their business establishment in familiar environments and networks (Basu & Altinay 2000). And to truncate the effect of discrimination against them in the host country, immigrants usually form an ethnic alliance amongst themselves and foster links to their country of origin, where they have easy access to products and draw financial strength. It is quite apparent that immigrants increase ethnic contacts with their country of origin whenever they perceive discrimination in their host country (Jasinskaja-Lahti *et al.*2006). Conventionally, immigrant entrepreneurs do perceive themselves to be highly susceptible to discrimination by their host country. Therefore, it has become imperative for

them to have formidable social networks (Riddle et al. 2010). Most especially where there are inadequate resources, the formulation of a vibrant web of social contacts is needed to link up and maintain a healthy relationship with other long-distance ventures for smooth business operation. It has been postulated that the more daunting or rigorous it is to initiate a transnational project, the more formidable the social networks needed to make it sustainable (Guarnizo et al.2003). In this regard, social networks become the developmental force for transnational entrepreneurial activities. It has been suggested that the efficacy of the existence of transnational entrepreneurship is proportionately based on the stronger ties that existed between role models and immigrants. Co-nationals residing in a foreign country have the potential to create stronger ties. Empathy and bonding amongst people of the same ethnic extraction can influence individual perceptions and decision-making processes (Guarnizo et al. 2003). In the prism of immigrant entrepreneurship, several studies already resonated that discrimination not only influences the person that experienced it first-hand, but also affects their co-nationals when they notice this mistreatment (Morawska, 2004). This buttressed the submission that the behaviour of the immigrants is mostly spurred by the behaviour of other individuals of the same ethic extraction as them (Birman & Trickett 2001). In this respect, immigrants have the tendency to acquire a broadly shared knowledge, irrespective of the country of origin and host country. Natural feelings of duty and empathy towards individuals of the same ethnic group are the factors engineering this phenomenon (Sequeira et al.2009). This general feeling or feature of foreignness in the host country could have an impact on business survival.

7. The liability of foreignness in venture survival

It can be perceived through various publications in the field of migrant entrepreneurship that immigrant status has strong connotations for business survival. In this regard, native businesses by default have a longer life-span and high tendency to survive in comparison to immigrant businesses. Irastorza (2010), lent credence to the concept of liability of newness expounded by Stinchcombe (1965), who explained that the limited access to financial as well as human capital resources, coupled with the small-size feature of immigrant businesses, do make their ventures vulnerable at the initiation stage. Migrants need institutionalized or informal support to survive. In places where there are no institutionalized or informal sources of business support, migrant entrepreneurs tend to find opportunities among their personal connections, which are usually embedded in chance encounters and community development (Bernsten et al,

2022). Most migrants do tap into the community market by gaining access to products and suppliers in a bid to create opportunities through non-predictive and effectual strategies (Paul Lassalle et al, 2020). However, Irastorza claimed that the concept of liability of foreignness could be an alternative explanation for the differences between immigrant and native entrepreneurs in terms of the survival of their ventures. Irastorza further argued that this concept is applicable to wage workers and entrepreneurs, being especially evident in the context of immigrants who are liable to face different challenges, such as: inadequate work experience, poor language skills, inability to acquire residence permits, and lack of access to other human capital necessities needed to survive in the host country. It has been clearly argued that the main reason immigrant entrepreneurs from underdeveloped countries venture into small business spaces that ordinarily require a low level of education is because they are limited in terms of access to financial, economic, social and human capital, especially when compared to their native counterparts (R. Kloosterman & Rath, 2001). But in the Spanish Catalonian context, the additional hindrances faced by immigrant entrepreneurs include: challenges in obtaining work permits, abusive business premises rent in comparison to natives, wariness of immigrant businesses on the part of natives, and financial difficulties due to inadequate access to credit facilities (Solé & Parella, 2005). Of all these obstacles, the inability to obtain residency or a work permit appears to be the most challenging. This is because it is the only legal channel through which the immigrants' stay can be legalized by the Spanish immigration authorities.

8. Spanish Immigration Policy

Historically, Spain enacted the first law that regulated its immigration in the month of July 1985. However, at that point in time, immigration was not a major challenge for the country because there was less proliferation of immigrants and they never posed as a threat to the country. This law made integration into the Spanish system difficult, as access to work permits became extremely stringent. This situation led to an increase in illegal immigrants in the country because the pathway to become properly and legally integrated was vehemently truncated. However, in 1996, this law was amended and some professional migrants were given the right to live and do business in Spain (Élteto, 2011). Essentially, in the year 2000, Spanish immigration law was highly influenced by the regulations of the European Union. At this time, it came to the cognizance of the European Union that migration is a huge global phenomenon that can never be taken for granted. Hence, the EU made it easier for its member countries to sign bilateral

agreements with other countries of the world, focusing on the integration of migrants, while giving them political and social rights. The law created space for immigrants to rightfully work and live in Spain. It also created facilitations for seasonal workers and ensured their return to their home countries. This law encapsulated four focal points, namely, regulation of immigration and entry conditions, global and coordinated treatment of immigration, integration of foreign residents and their families, and the accommodation of Refugees. Many special regulatory programmes were established by the Spanish government in a bid to address the challenges faced by illegal immigrants. There were also several amnesty programmes designed to legalise illegal immigrants subject to their ability to meet certain conditions. In this respect, during 1985-1986, 43 thousand migrants were granted amnesty. In the same vein, between 1991-1996, 2000-2001, and in 2005, 128 thousand, 24 thousand, and 200 thousand migrants were granted amnesty, respectively. During this period, the stay of these immigrants was legalised in Spain subject to the condition of having a clean criminal record, participation in the social security system and proof of official registration, after which a residence permit with a validity of one year was granted. In total, 691,655 illegal immigrants became beneficiaries of this legalisation process, and they were mainly immigrants from Romania, Morocco and Ecuador (Cànoves & Blanco Romero, 2009).

To further broaden the capacity to achieve the integration of immigrants, the Spanish government promulgated a policy between 2007 and 2010, entitled, Strategic Citizenship Plan (Plan Estratégico de Ciudadanía). This plan was established to improve the total wellbeing of immigrants, which includes their reception, equal opportunities, access to education, accommodation, employment, healthcare, social services etc. This programme was funded with the sum of 500 million Euros yearly, with 42% of it allocated to education, 11% to employment, 23% to the reception of arriving immigrants, while the remaining 24% was channelled towards nine other areas. However, in 2008, many Spaniards, specifically about 42% of Spanish native citizens, believed the programme made immigration law too lenient and receptive. This was a huge proportion when compared to the 24% of them who made the same claim in 2004 (Cea d'Ancona & Valles Martínez, 2009).

9. Conclusion

The efficacy of migrant entrepreneurship in Europe is recognised by many scholars and policy makers, and there is a remarkable amount of literature on this topic. However, the data and information on migrant workers and entrepreneurs are not comparable and are limited, especially at the EU level. Most studies address a specific migrant group in a city. And there is obviously a gap in evaluating migrant entrepreneurship. When it comes to entrepreneurship, the wider economic crisis across the globe, low levels of labour demand and high levels of unemployment among resident nationals have played a role in increasing the competition and difficulties for migrants seeking to integrate into the labour market when permitted to work.

This article provides a theoretical background explanation to European and Spanish migrant entrepreneurship. It further establishes a formidable foundation for empirical research into various factors that come into play when it comes the market access, growth, and survival of the business ventures of non-European migrants in Spain. This aims to contribute to the body of knowledge by giving a broader explanation and understanding of the concept of European migrant entrepreneurship, theoretically analyzing its causal factors, opportunities, and challenges. This gives a more fundamental understanding and clearer impression of the field of European migrant entrepreneurship within the Spanish context for all current and intending scholars researching within this prism.

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