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Immigrant entrepreneurs in advanced economies: mixed embeddedness further explored

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***Abstract** This paper introduces the JEMS special issue on immigrant entrepreneurship and mixed embeddedness. The special issue has grown out of an EC-funded programme of networking research entitled 'Working on the Fringes: Immigrant Businesses, Economic Integration and Informal Practices'. Our opening paper provides a contextual overview for the case-study papers which follow. We pay particular attention to the mixed-embeddedness thesis and especially focus on the demand side of the opportunity structures framework which confronts potential immigrant entrepreneurs. We propose a three-level strategy for analysing the opportunity structure and its underlying dynamics, based on national, urban/regional and neighbourhood levels of comparison. In the final part of the paper, we identify several possible future lines of research.*

KEYWORDS: IMMIGRANT ENTREPRENEURSHIP; OPPORTUNITY STRUCTURES; MIXED EMBEDDEDNESS; SMALL BUSINESSES

Immigrant entrepreneurs and opportunities

It seems so obvious in the traditional neo-classical model. Opportunities for businesses occur and entrepreneurs seize them, since setting up shop in this or that line of business has become more rewarding than any alternative use of their resources. In this view, a completely transparent opportunity structure is assumed as well as economically rational, profit-seeking actors. In addition, resources can be transferred easily from one economic activity to another and no obstacles in the form of closed shops or cartels, rules and regulations, branding or marketing hampers the entry of new entrepreneurs. Markets, as always, will clear and a blissful equilibrium will return once more. This comforting situation encompasses all economic actors, indigenous as well as immigrants.

The world in which we live, however, does not always comply with such neat schemes (cf. Shane and Venkataraman 2000). The demand and the supply side and the eventual matching process in this fictitious entrepreneurial market are much more problematic than is assumed in the basic neo-classical model. Self-employment is anything but self-evident (Light and Rosenstein 1995). This holds true for indigenous aspiring entrepreneurs and, arguably, even more so for immigrants from less-developed countries who have moved to advanced

economies. Many researchers, highlighting the role of immigrant entrepreneurs, have focused on the problematic of the supply side. They have explored the differences in proclivity towards entrepreneurship between certain groups of immigrants, the way 'ethnicity' impinges on the resources of immigrant entrepreneurs and, especially, their embeddedness in social networks (see Rath 2000; Rath and Kloosterman 2000).

These studies do, however, tend to neglect the two other crucial aspects of this fictitious entrepreneurial market: the *demand side* and the *matching process* between entrepreneurs and potential openings for new businesses. First, there have to be opportunities on the demand side of this fictitious market to run a business in an economically sensible way (i.e. generating a surplus that, in the longer run, is deemed as at least sufficient by the entrepreneur concerned). Secondly, these opportunities have to be *accessible* for the aspiring entrepreneurs. They can be blocked due to very high minimum efficiency scales requiring large outlays of capital (as is the case, for example, in many types of manufacturing). Even if there are economically feasible opportunities for aspiring entrepreneurs, they can still be blocked. Entry to markets for newcomers may be blocked directly by rules and regulations stemming from public or semi-public (corporatist) origin. Thirdly, opportunities to start a business that will generate a sufficient income have to be perceived or, perhaps more to the point, surmised by would-be entrepreneurs (Shane and Venkatamaran 2000: 221). Fourthly, these opportunities have to be seized in a palpable way: i.e. by actually starting their own businesses.

If one wants to transcend the specificity of one case study and to understand the insertion of immigrant entrepreneurs in advanced urban economies from a comparative perspective, this so-called *opportunity structure* has to be explored in a more systematic way. We intend to just that: to use a more comprehensive approach that will enable us to internationally compare patterns of immigrant entrepreneurship in a theoretically founded way. We want to understand the socio-economic position of immigrant entrepreneurs by taking into account not only their rather concrete embeddedness in social networks of immigrants but also their more abstract embeddedness in the socio-economic and politico-institutional environment of the country of settlement (Kloosterman *et al.* 1999). We also look at the embeddedness of the immigrant entrepreneurs in social networks, but we do this by explicitly relating this to the opportunity structure in which these entrepreneurs have to find possibilities to start a business and subsequently maintain or expand that business. We have dubbed this approach *mixed embeddedness*. This ambitious, long-term international research project is still under way and a comprehensive edited volume which surveys immigrant entrepreneurs in advanced economies from a comparative perspective is forthcoming (Kloosterman and Rath 2001).

In this special issue of *JEMS*, we present eight case studies which show both the complexity and the diversity of the interaction between, on the one hand, immigrant entrepreneurs and, on the other, the opportunity structures in different situations. Here, in this introductory paper, we will present a further elaboration of this mixed-embeddedness approach and we will especially focus on the demand side of the equation. This entails, first, a more theoretical exploration of the opportunity structure. The actors themselves – the immigrant entrepreneurs – and their social embeddedness are obviously very important, but these parameters have been dealt with by other authors fairly extensively elsewhere (cf.

Granovetter 1985, 1990, 1995; Portes and Sensenbrenner 1993; Waldinger 1996). It therefore makes sense to explore below the too-often-neglected demand side to flesh out the mixed-embeddedness approach in more detail. We start by elaborating further the relationship between (immigrant) entrepreneurs and the opportunity structure, paying particular attention to the changing character of markets. We then propose a three-tiered approach to dissecting the opportunity structure and its underlying dynamics. In the last section, we will point to some promising lines of research.

Actors and (opportunity) structures

Already a decade ago, important initiatives were taken to bring the research on immigrant entrepreneurship one step further by comparing the phenomenon in different countries (Body-Gendrot and Ma Mung 1992; Waldinger *et al.* 1990a). The contributions to these initiatives were mainly rather disparate case studies focusing on the actors – the immigrant entrepreneurs – themselves. There was, however, the introductory chapter by Roger Waldinger, Howard Aldrich and Robin Ward (Waldinger *et al.* 1990b) in which they propounded a more comprehensive framework that did include the opportunity structure. This opportunity structure was seen to consist of *market conditions* ('ethnic consumer products' and 'non-ethnic/open markets') and of *access to ownership* ('business vacancies', 'competition for vacancies', and 'government policies'). Unfortunately, they did not elaborate this innovative approach to immigrant entrepreneurship much further (Rath 2000). To be able to analyse different cases of immigrant entrepreneurship from a comparative perspective, we explicitly dissect the opportunity structure from a more theoretical point of view. Before we turn to the unpacking of the somewhat elusive concept of opportunity structure, two points have to be clarified.

Firstly, the composition of immigrant entrepreneurs from less-developed countries is rather different from that of the indigenous population. The newcomers tend to differ in the bundle of resources (human, financial, social and cultural capital) at their disposal when compared to their indigenous counterparts. They are, therefore, on the whole, dependent on other segments of the opportunity structure. For them it is mainly segments that usually require only small outlays of capital and relatively low levels of education where they can set up shop. At these lower ends of markets, immigrants can stretch or even challenge the conventional meaning of entrepreneurship, as in the case of the day-labourers in Los Angeles described by Abel Valenzuela in his contribution to this issue. Mainly low-skilled day-labourers from Latin America behave as so-called *survivalist* entrepreneurs (contractors) because (lacking documents or proficiency in English) they face significant barriers on the regular labour market. By becoming self-employed they are able to circumvent these barriers.

Although the typical immigrant entrepreneur from less-developed economies basically still fits this picture of someone relatively lacking in financial and educational resources, we have seen more recently the emergence of a rather new type of immigrant entrepreneur. In many advanced economies, and especially in the United States, the number of very highly skilled immigrant entrepreneurs from *emerging*, albeit still less-developed, economies is rapidly growing. Software specialists from China and India have become very important entrepre-

neurs in Silicon Valley (Clarke 1998: 190; Saxenian 1999). In her contribution to this issue, Maggi Leung examines how Chinese (Taiwanese) entrepreneurs in the computer business in Hamburg exploit their privileged links with computer manufacturers in Taiwan by means of transnational networks. With the broadening and deepening integration of emerging economies in the global network, high-skilled immigrant entrepreneurs from Third World countries may become much more prominent in the near future.

Our second point concerns the nature of the relationship between the immigrant entrepreneurs (the actors) and the opportunity structure. Entrepreneurs are not just responding to static opportunity structures, but are able to change and mould them through innovative behaviour and thereby create opportunities that up till then did not exist. It is this typically Schumpeterian entrepreneur who gets much attention in literature on entrepreneurship; the lone hero who comes up with a brilliant new combination of resources and, against all odds, makes a fortune out of it. Although undoubtedly very important for advanced economies and the fate of capitalism in general, many entrepreneurs – indigenous and immigrants alike – do not fit this description (Light and Rosenstein 1995:1–3). They may be opening up new horizons, but in a much more modest way – for instance by introducing Indian foods to a white population (see the contribution of Giles Barrett, Trevor Jones and David McEvoy in this issue). They may even be much more modest by opening the umpteenth Indian restaurant in a neighbourhood where South Asians are heavily over-represented.

There are, in other words, a small number of pioneers and a large number of followers (Carroll 1997). However, the boundary between these two types is, in practice, not always easily drawn and is very much contingent on the specific context. The first Bangladeshi immigrant, who senses a wider market for Indian foods and subsequently translates this into starting a restaurant in predominantly white neighbourhood, can be seen as a consciously innovative entrepreneur. Others, however, may start as pure copy-cats but eventually turn out to be rather innovative when, for instance, demand for foreign foodstuffs rises due to the increase in overseas travelling on the part of the indigenous population. A large majority of the immigrant entrepreneurs, arguably, has to accept the existing opportunity structure – at least in the short run. We will come back to this important issue of innovative behaviour and immigrant entrepreneurs when we discuss further lines of research in the last section.

Markets

Central in our understanding of the opportunity structure in market economies are, inevitably, *markets*. A market constitutes the concrete economic locus where entrepreneurs, combining different resources in a specific way (adding value), have to sell their products to clients. Opportunities for aspiring entrepreneurs, hence, have to be found or created in markets for consumers, other producers or (semi-)public organisations. If, for instance, due to ubiquitous economies of scale, only very large-scale businesses can succeed, then chances for new entrepreneurs to start their own business will be very slim indeed. They would need access to substantial amounts of money and other resources such as labour to set up shop.

It seemed for quite some time that advanced economies were moving in this direction and that self-employment would, eventually, become almost extinct as small firms were apparently doomed (Kloosterman and van der Leun 1999; Light and Rosenstein 1995). However, advanced economies took a somewhat different turn and the room for small firms in manufacturing as well as in the rapidly expanding service sector turned out to be significantly greater than was assumed. The economic landscape in advanced economies is, of course, still dominated by a small number of giant firms and in some lines of business, notably car manufacturing, cross-border mergers are increasing the average size of firms even further. After crossing the 'Second Industrial Divide' (Piore and Sabel 1984), there is, however, little doubt about the structural viability and the long-term economic importance of small firms and, concomitantly, of self-employment. Several underlying factors are important in this process. The wide availability of cheap computing power brings it within the reach of small businesses (Castells 1996: 221). The fragmentation of markets as consumers look for more 'individual' (e.g. fashion) or group-specific (e.g. ethnic music) products erodes thereby the possibilities for economies of scale and, hence, favours more flexible small businesses. The greater need of innovation and the focusing on core skills stimulated by intensifying (global) competition have opened up new possibilities for small firms in manufacturing. Moreover, the rapid expansion of service activities in advanced economies has created a whole new array of opportunities for small businesses, as economies of scale are hard to achieve in a number of producer- and, especially, consumer-services (e.g. child-care, house-cleaning, catering etc.).

The opening up of new opportunities for small businesses in the emerging post-industrial or post-Fordist economies has thus put an end to the hitherto reverse relationship between the economic cycle and new business start-ups. Even in times of a prolonged economic boom, business start-ups are on the rise. Starting your own business has become a first choice for many young aspiring entrepreneurs and not just a second-best option when jobs are hard to find – although the latter may still hold for many immigrants who may face all kinds of barriers on the labour market. In general, the set of openings into markets for setting up new (small) firms – the so-called *opportunity structure* – in advanced economies outside of agriculture has been gradually expanding (Blackford 1999; Light and Rosenstein 1995; OECD 1992; Scranton 1999). In other words, due to underlying structural developments with respect to technology, consumer demand, business strategies and the shift to services, the *minimum efficient scale* for doing business has been decreasing in many markets. This has, accordingly, increased the opportunities for aspiring entrepreneurs in general.

Notwithstanding the near-universal character of these underlying trends, this does not at all imply that opportunity structures are the same in advanced economies or even in regions or cities within one country. Contrary to what some economists seem to think, markets are not metaphysical phenomena that transcend mere social realities, the same everywhere at any time. Quite the reverse, markets, and therefore opportunity structures, are thoroughly social phenomena and thus very much *embedded* in wider social contexts that may differ according to time and place (Scott 1998; Storper 1997). Ewald Engelen, in his contribution to this issue, emphasises the social character of markets when he explores different dimensions of markets by departing from an explicit Webe-

rian perspective. He clearly demonstrates how a profoundly socialised approach to markets can contribute to a better understanding of (immigrant) entrepreneurs, notably their 'break-out strategies'.

Entrepreneurs, indigenous and immigrant alike, are faced with different sets of market openings in different times and places. Exploring immigrant entrepreneurship in different countries, consequently, requires a comparison of these different opportunity structures and of the markets where potential openings for new businesses can be found. Two dimensions of the opportunity structure are crucial for understanding the processes of insertion and social mobility of immigrant entrepreneurs. The first dimension concerns *accessibility*: markets have to be accessible for newcomers to start a business. The second dimension refers to the *growth potential* of the markets where immigrants set up shop. When comparing distribution patterns and trajectories of immigrant entrepreneurs, the different opportunity structures have to be examined along these two yardsticks.

A three-level approach

Although we have narrowed our focus to just two, albeit crucial, aspects of the opportunity structure, we still have to find other means to reduce the still immense complexity of opportunity structures and markets, shaped as they are by a whole array of factors and circumstances. To get a grip on the accessibility and the growth potential of opportunity structures from a comparative perspective, we propose to analyse these two characteristics and their underlying forces at three levels. These levels of analysis, in descending order, are the national, the regional/urban, and the local or neighbourhood level. Different sets of factors shape and mould opportunity structures on these three levels. In doing this, we do not imply that this threefold distinction coincides with the spatial extent of the markets, immigrant entrepreneurs are active in. We are concerned with identifying an approach that will allow us to get a more methodical handle on the forces that shape opportunity structures.

Comparing patterns and trajectories of immigrant entrepreneurs between countries can take place by just exploring the way the opportunity structure is shaped at the national levels. Comparing immigrant entrepreneurs within one city in two neighbourhoods could be undertaken without referring to the two other levels of analysis, as they can be assumed constant. If, however, one compares immigrant entrepreneurs in different local settings in different countries, then each of the three levels should be taken into consideration as access and growth potential are affected by differential forces operating on national, urban and local levels. Up to a certain extent, one could argue that in almost all cases these three levels have to be included in the analysis as immigrant entrepreneurs tend to be spatially concentrated in specific cities and indeed in specific neighbourhoods. Below, we will take a cursory look at what shapes the opportunity structure at these three different levels and how this shaping impinges on immigrant entrepreneurs. We do not pretend to offer an exhaustive overview, but just want to show how forces at different levels mould and shape opportunity structures in different ways.

The national level

The first level is that of the nation as whole. Notwithstanding the ongoing process of globalisation, nation-states and national borders still matter in many respects (see also the paper by Richard Friman in this issue). National institutions shape *the post-industrial trajectories of self-employment*, to paraphrase Gøsta Esping-Andersen. National institutions, laws, rules and regulations are important in determining what is marketable or *commodified* and what is *decommodified* or provided by other ways than market allocation (cf. Esping-Andersen 1990, 1999; Kloosterman 2000; also Ewald Engelen's contribution to this issue). This distribution can be brought about directly by formal laws and instructions (e.g. by outlawing specific markets such as prostitution), but also indirectly by rules and regulations that enable or hamper the coming into existence of certain markets (e.g. minimum wage). This mix between what markets provide and what family, social networks, religious or other organisations privately take care of, determines in its turn the space that is, in principle, accessible to (immigrant) entrepreneurs. If, for instance, (extended) families take care of children, there will be no openings available for starting a child-care business.

National institutions are not only crucial in shaping the mix between market and non-market provision, but they may also be important in determining some of the thresholds in markets by regulating the starting of a business. For instance it may be very hard for an immigrant to get a permit to start a business. If a specific educational qualification that can only be acquired in the country of settlement (and, more important even, in the language of this country) is needed to become self-employed, then again immigrants will be in a disadvantaged position as aspiring entrepreneurs. National institutions are not just state-related phenomena; they are generally speaking more durable practices and can thus also refer to attitudes towards business. A lack of an entrepreneurial culture in general, or in some particular activities due to a deficiency in specialised skills, or to an unwillingness to start a business in an unattractive segment, can also affect the number of openings for immigrant entrepreneurs. Several contributions to this issue show examples of these three distinct ways of the formation of openings for immigrant entrepreneurs. A general lack of entrepreneurial culture could be found in nineteenth-century Utrecht where, as described by Marlou Schrover, German immigrant entrepreneurs were able to seize opportunities ignored by the indigenous population. In their contribution to this issue, Eran Razin and Dan Scheinberg explain how, on the contrary, a vibrant entrepreneurial culture in Israel (Jewish as well as Arabian entrepreneurs) reduces the number of openings available for potential immigrant entrepreneurs from the former Soviet Union. For these newcomers, there were not many 'under-served niches' to start a business. Richard Friman, in his comparison of immigrant entrepreneurs in the drug trade in Germany and Japan, shows how such under-served niches do not only occur in legal lines of business. Japanese organised crime could effectively keep out immigrants from the more profitable opportunities higher up the supply chain. In Germany, on the other hand, the drug trade lay much more open for immigrant entrepreneurs as indigenous organisations could not control these openings.

The third way, the creation of openings at the lower rungs of the entrepreneurial status-ladder for less fastidious newcomers from Third-World countries through upward mobility of the longer-established businesspeople is, of course, the entrepreneurial counterpart of the residential process of invasion and succession known as the *vacancy chain*. The creation of openings can thereby take

place without a net growth of such entry opportunities. This process is dependent on the extent to which the longer-established entrepreneurs are indeed upwardly mobile but also on the extent to which newcomers are faced with other possibilities, notably to become workers. Esping-Andersen (1999: 135) has found a strong correlation between the rigidities of the labour markets (indicating obstacles for newcomers to enter) in advanced economies and the incidence of (non-agricultural) self-employment. Again, the national institutional context affects accessibility to markets (and also the propensity on the supply side to become an entrepreneur by blocking access to jobs).

The regional/urban level

The second relevant level to analyse the opportunity structure with respect to chances to become upwardly mobile for immigrant entrepreneurs is that of the *regional/urban level*. Within one national institutional framework, cities and regions can have quite different economic fates and thus contribute to significant differences with regard to the opportunity structures within one country. Moreover, the salience of regions and individual cities has not, as some expected, decreased over time but has come much more to the fore. The intensification of global competition, driven and enabled by the strongly intertwined processes of technology-inspired changes in transport and communication and the erosion of trade barriers between individual countries, has contributed to the emergence of a global mosaic of regional economies (Scott 1998). To survive in a globally competitive world, urban regions have to make the most of their localised economic externalities (agglomeration economies) and focus on those activities that are hard to copy by actors in other regions. The importance of the (local) micro-economic foundation in achieving competitive advantage is rising and as a result we observe patterns of spatial clustering of economic activities (Storper 1997). Urban regions, in other words, are becoming more connected and at the same time more specialised in certain activities. This implies that, by becoming part of the global mosaic, advanced urban regions are also becoming rather more distinct socio-economic *milieux* ('new industrial districts') with a specific orientation towards certain economic activities and, hence, also individual growth trajectories. From our perspective, this means that the regional or urban dimension of opportunity structures has to be taken seriously when looking at processes of insertion of immigrant entrepreneurs. On this sub-national level, significant city–regional forces help to shape markets and, therefore, affect both accessibility and growth potential for aspiring immigrant entrepreneurs.

Global cities, with their high concentration of international headquarters, are specific cases of such advanced urban regions. They generate their own distinct opportunity structures with high-value-added services driving the expansion of low-level personal and producer services that are highly accessible for immigrants from less-developed countries (Sassen 1991).

Karl Froschauer demonstrates the salience of a specific socio-economic milieu by showing how immigrant entrepreneurs from Taiwan are welcomed in British Columbia as they are expected to use their manufacturing expertise from their region of origin in their new region of settlement (see his paper in this issue). They do indeed start a business in British Columbia; however, generally this is not in manufacturing but in services, as British Columbia lacks the envi-

ronment that is conducive to the kind of small-scale manufacturing that is profitable in Taiwan. This emphasises very clearly the general importance of the mixed embeddedness and its emphasis on the opportunity structure: immigrant entrepreneurs cannot just transfer their activities from back home and continue in their new environment as if nothing had changed. They have to accept the specific socio-economic make-up of their new place of living.

Another way in which the regional/urban level is prominent in affecting the opportunity structure for immigrant entrepreneurs, has to do with urban policies. Although urban policy is usually launched as a national initiative, individual city governments often have considerable leeway to implement and to enforce these national urban measures in ways they see fit (Dieleman and Kloosterman 2000; Polèse 2000). This creates another source of variation in urban opportunity structures. This holds for urban policies in general, but particularly in the case of urban regeneration programmes that may be in part specifically directed towards (immigrant) entrepreneurs. Most of these measures are directed to the entrepreneurs themselves (the supply side), but some are also aimed at boosting the opportunity structure for small-scale entrepreneurs. Giles Barrett, Trevor Jones and David McEvoy in this issue consider how urban policies in Thatcherite Britain, which manifested a strong pro-business culture, impacted on immigrant entrepreneurs. Many immigrant entrepreneurs lacked, it seems, awareness of such policies and, in addition, policies of deregulation seemed to be somewhat superfluous as many cities already turned a blind eye towards transgressions of, for instance, opening hours.

The neighbourhood level

The third level to explore differentials in opportunity structures more systematically is that of *neighbourhoods*. The access to markets and their growth potential not only differs from city to city, but from neighbourhood to neighbourhood within cities. This is related to the fact that spatial patterns of the distribution of the population over a city also impinge upon the intra-urban spatial structure of consumer markets. Concentrations of specific groups of immigrants may constitute 'natural' or even 'captive' markets for immigrant entrepreneurs offering their co-ethnics products that are not provided by indigenous suppliers. In their contribution, Barrett, Jones and McEvoy make it clear that neighbourhoods with high concentrations of immigrant populations are a fruitful territory for immigrant business in general and especially for those that cater for specialist ethnic tastes (see also Kloosterman and van der Leun 1999).

Moreover, neighbourhoods imply proximity and in this sense they constitute the obvious concrete locus for many social networks and hence for the nurturing of the social capital that is so important in many immigrant businesses. It is particularly at this level that the way actors are positioned in social networks (their social embeddedness), and the way the markets they are active in are structured, come together and epitomise our concept of *mixed embeddedness*.

Access to markets is not just a matter of these markets simply being there. Immigrant entrepreneurs have to be able to deliver the products to their customers. In many cases, immigrant entrepreneurs have to have business premises in these particular neighbourhoods as their customers are usually not very willing to travel long distances to get daily goods (other ways of providing such

goods would be by mobile shops). If such premises are hard to come by, access to these markets for immigrant entrepreneurs may remain merely theoretical. On the neighbourhood level, informal processes of exclusion may keep newcomers out by blocking them from acquiring business premises or by withholding information on such accommodation. On the other hand, immigrant entrepreneurs may be very welcome to set up shop in immigrant-dominated neighbourhoods but have difficulties in more promising markets in other neighbourhoods. As Barrett, Jones and McEvoy observe, they may have difficulties in maintaining supply links (e.g. labour) in areas that are not close to neighbourhoods with high concentrations of co-ethnics. Or, again, they may face informal practices of exclusion.

Immigrant entrepreneurs make use of, negotiate and, to a lesser extent, create openings to start a business. These openings are not everywhere the same; they are contingent on the wider socio-economic context. Immigrant entrepreneurs and their social embeddedness should be understood within the concrete context of markets and, hence, opportunity structures. This, in a nutshell, is what our mixed embeddedness is all about.

A new research agenda

As a recent article in *Business Week* points out, the rising number of immigrant entrepreneurs in advanced urban economies in North America, Europe and Australia forces us to reconsider the ways in which we try to grasp entrepreneurship in general and that of immigrants in particular.¹ We have to look beyond the likes of Bill Gates, Richard Branson, and Steve Jobs and study seemingly lesser mortals who have started take-aways, small restaurants, temping agencies, groceries, video rental stores and other not very eye-catching entrepreneurial activities. Being an international phenomenon, it forces us to come up with a new perspective that enables us to make sense of the emerging patterns of immigrant entrepreneurship in different national and local contexts. In many earlier studies on immigrant entrepreneurship, researchers used to focus solely on the entrepreneur-actors and their characteristics, sometimes myopically stressing cultural or avowedly ethnic factors as the sole driving forces of entrepreneurship. Although the supply side is obviously very important, it is not sufficient, especially when one engages in comparative research on immigrant entrepreneurs. Above, we have explored how differences in opportunity structures can be examined on three different spatial levels and, subsequently, how they can affect potential trajectories of immigrant entrepreneurs. We have made explicit the importance of analysing actual entrepreneurs within the wider context and have referred more particularly to the contributions to this issue. To conclude, we point to some promising lines of empirical research with respect to opening up new trajectories for immigrant entrepreneurship from our mixed-embeddedness perspective.

A first line of research concerns the processes of how advanced economies in general create new openings for small businesses. To be more specific: what kind of openings, how do they appeal to aspiring immigrant entrepreneurs, and how are they related to the politico-institutional make-up of the national states? Is Europe indeed behind the US in this respect, since the share of market allocation seems to be greater in the latter? Are there significant differences within

advanced European welfare states themselves (e.g. Sweden versus the Netherlands or Belgium)? This entails an international comparison partly in the vein of Esping-Andersen's (1990) welfare states project.

Secondly, it would be fruitful to compare divergent paths of urban regions within one country and their relationship to the opportunities for immigrant entrepreneurs. More precisely, how are different types of urban restructuring linked with different shapes of urban opportunity structures?

Thirdly, by using the mixed-embeddedness approach at the more micro-level of neighbourhoods, the intricate interplay between individual actors, social networks and opportunities for businesses should be empirically explored. Given Putnam's findings with respect to regional diversity in Italy, the role of civic society and its concomitant social networks should be scrutinised first on a local level, especially with regard to inclusive or exclusionary practices towards newcomers (Putnam 1993).

Fourthly, the impact of national and especially urban policies should not only be analysed by looking at its impact on the supply side (the aspiring immigrant entrepreneurs themselves), but also on the demand side of the opportunity structure. Special attention in this case should be paid to how urban policies are implemented and enforced.

Part of our 'Working on the Fringes' project is aimed at following these lines, but given scarcity of resources we are in some respects just carrying out preliminary analyses. Broadening (by bringing in more countries) and deepening (by elaborating the theoretical underpinnings) the research on immigrant entrepreneurship on these issues from a thoroughly comparative perspective would surely be a significant contribution in this field.

A fifth line of research would be the exploration of the processes of insertion of the 'new' highly-skilled immigrants – managers, artists, people in sports, scientists, software specialists etc. – from emerging economies, again from a comparative perspective. How do they find their way and, more specifically, to what extent are they part of more structural transnational networks bridging the region of origin and that of settlement? What is transmitted through these global webs?

The sixth line of research is that of a specific case of the relationship between immigrant entrepreneurs and the opportunity structure, namely that of innovative immigrant entrepreneurs creating their own openings and markets and, hence, reshaping the opportunity structure. How do the innovation processes of immigrant entrepreneurs relate to those effected by indigenous businesspeople?

Business Week has put Europe's immigrant entrepreneurs on the map for (nearly) everyone to see. It is now up to us as researchers to make sense of this remarkable phenomenon and to come up with approaches that do not just transfer American interpretations without further ado to quite different contexts on the other side of the Atlantic.

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Note

- 1 See the article 'Unsung heroes', *Business Week* (European edition), 28 February 2000: 20–4.

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