Objective institutionalized barriers and subjective performance factors

of new migrant entrepreneurs

Purpose
This paper seeks to explain how the ‘objective’ institutionalized barriers (of which social, human, and financial capital are decisive factors) and the subjective performance of new migrant entrepreneurs jointly affect their business attitudes and observed behaviour.

Design/methodology/approach
The paper’s analysis of individualized performance factors (dependent on how ‘objective’ institutionalized barriers are subjectively construed) – in line with the Theory of Planned Behaviour (TPB) – enables a response to recent calls to embrace complexity and pluralism in entrepreneurship through applying social constructivist lenses. Semi-structured interviews were conducted with 32 Eritrean entrepreneurs, and the empirical data was subjected to grounded theory analytical procedures and interpretative phenomenological analysis (IPA) theoretical coding.

Findings
Six core beliefs mitigated entrepreneurial attitudes independently from the objectivized institutionalized barriers: (1) know-how needs to be acquired formally; (2) available sources of financing are internal, and scarce; (3) market expertise is in the books, rather than in the market; (4) blending in the host country’s culture is uncalled for, and the resulting difficulty of operating in the ‘foreign’ market is a price worth paying; (5) risk is to be avoided at all cost; and (6) strong intra-communal bonds need not entail support for their business activity, rendering external contacts hardly necessary or trustworthy.

Originality/Value
The paper concludes with recommendations potentially informing policies and targeted interventions by highlighting that any policy intervention or an attempt at structural change of conditions in which new migrant entrepreneurship unfolds should consider entrepreneurs as ‘performing’ individuals, as well as representatives of wider cultural, economic and social dynamics relating to these ‘objective’ institutionalized barriers.
Introduction

Extant research rarely surveys the entrepreneurial activities of new migrants in the United Kingdom (UK), instead focusing on established diasporic groups such as South Asians with several generations (Jones et al., 2012; Sepulveda et al., 2011). Exceptions include, inter alia, studies of new migrant entrepreneurs from Poland (e.g. Lassalle and Scott, 2017; Ryan et al., 2009; Vershinina et al., 2011), and refugees (such as Sepulveda et al., 2011). New migrant entrepreneurs are defined as more recent migrants (within the last 25 years) who have succeeded earlier migrants from South and South-East Asia, the West Indies, and elsewhere (Jones et al., 2012, 2014, 2015; Lassalle and Scott, 2017; Ram et al., 2013; Sepulveda et al., 2011). New migrants are marginalized, often experiencing high rates of unemployment, poor living conditions, and discrimination (Sepulveda et al., 2011), and multidimensional constraints (Vertovec, 2007), and have been largely neglected in the literature (Fregett, 2004; Light, 1972). In line withSirkeci’s (2003) call to promulgate better understanding of socioeconomic differentials relating to migration flows, the contingencies that contribute to new migrants’ entrepreneurial activity and outcomes are explained (Fairlie and Robb, 2007). The authors are specifically interested in instances in which the outcomes of attempts at being entrepreneurial do not produce results, which – measured by the typical standards – could ‘normally’ be considered successful.

The empirical material exhibits the much-troubled endeavours of new migrant entrepreneurs and, therefore, provides fitting background for discussion in this respect. This angle, paradoxically, enables a more clear discussion of the ‘success’ factors involved. Inspired by the Theory of Planned Behaviour (TPB) (Ajzen, 1991), the paper seeks to broaden the traditional scope of inquiry by including the psychological constructs to explain an individual’s progress across different levels of entrepreneurial engagement (Kautonen et al., 2013; Kautonen et al., 2015). Complementarily to the TPB, however, institutional and economic
factors are also included in the analysis to provide a more accurate description. In other words, the existence of institutional and economic barriers to entrepreneurial activity are acknowledged, but – in line with the Theory of Planned Behaviour – whether they provide sufficient rationale for observed behaviour is questioned. The paper seeks, therefore, explanations from the individualized performance factors.

Thus the constructivist research framework spanning across the levels of individual attitudes and wider categories of types of economic agents is embraced, as discussed below. To this end, new migrants’ entrepreneurial ‘performance’ is defined in a constructivist fashion: as their subjective construal of the world around them, based on convictions, preconceptions and beliefs, jointly dictating actions which are possible to undertake from this situated (socially constructed) standpoint. Since the empirical case merges complex – often contradictory – individual psychological features with pressures exerted by external barriers and actors, it is possible to better understand and explain this multilevel dynamic. Indeed, the specific situation of new migrant entrepreneurs (i.e. severe uprootedness from their home country, local communities, and in most cases from their families, which they attempt to alleviate by re-constructing their livelihoods, personal worlds and economic networks in the new country of residence) lends itself to constructivist notions particularly well. The situation – often difficult and disturbing for the research subjects – offers an excellent vignette into the ongoing, dynamic process of constructing their entrepreneurial identities using material, social and conceptual resources that are typically scarce. Thus, the entrepreneur’s individual narratives – rather than being taken at face value – reveal the raw process of entrepreneurship-in-the-making involving the confluence of embedded convictions, cultural prohibitions, elements of Western ‘entrepreneurship know-how’, the approach to institutionalized power, and the specific construal of entrepreneurial ‘success’.

Thirty-two Eritrean new migrant entrepreneurs were interviewed in different locations
in the UK in an in-depth, semi-structured manner. Focusing on this specific national group enables a better understand both institutional and psychological levels of entrepreneurship-in-the-making in line with the research framework (as explained in more detail in the methodology section). The empirical findings indicated that, while new migrants face objective boundaries – in accordance with extant research – those boundaries do not sufficiently explain the whole array of their motivations and disinclinations towards entrepreneurial activity. The paper, therefore, identifies six core beliefs which mitigate their entrepreneurial activities (and their outcomes) for the potential benefit of future theoretical and applied contributions that aim to increase the prospects of successful entrepreneurial activity among new migrant entrepreneurs.

As well as its insufficient recognition in the broader entrepreneurship literature, extant research is guilty of ‘shepherding … complex social relations into narrow empirical categories’ (Ram et al., 2017, p. 12). This research gap is addressed by including the social constructivist perspective in the paper’s exploration of the dynamics of entrepreneurial activity undertaken by UK-based new migrants from Eritrea. Entrepreneurship, as a ‘dynamic process’ (Kuratko, 2016, p. 5), can hardly be captured aptly by overemphasizing the role of e.g. the availability of rare resources or structural market conditions, which (in the short term) remain immutable. While considering the latter, the paper explores their individual construal – and its processual application – to render the promise of increased understanding of entrepreneurial activity at least partially fulfilled. Indeed, Berger and Luckman (1966) argue that an inquiry into how social reality is constructed is necessary to understand it. The paper similarly echoes, in their terms, how the objective ‘world of things’ – such as family and religious institutions, commercial enterprises, and economic systems – is underpinned by ongoing subjective and intersubjective processes of production involving individuals and interactions between them (ibid), two aspects of which are typification and habitualization. Typification involves applying a simplified description emphasizing the recurrent features, while habitualization concerns
developing routinized responses to situations construed as ‘similar’, and these aspects explain how human beings normally deal with the diversity and complexity of the world around them. The emerging habits, routines, and categorizations are spread between actors and, as they do so, institutions (that is, fixed patterns of thought and action) emerge as well (Alvesson and Skoldberg, 2000). The resulting ‘objective’ institutional world is thus ‘an ongoing human production’ (Berger and Luckman, 1966, p. 69), and its sway over the actual performed behaviour complements the influence of attitudes, subjective norms, and perceived behavioural control pronounced by TPB (cf. Ajzen, 1991). Recent calls have suggested rendering this complexity and pluralism in entrepreneurship research through embracing social constructivism (e.g. Hosking and Hjorth, 2004; Lindgren and Packendorf, 2009), which have to date not been specifically applied to the context (Welter, 2011; Zahra, 2007) of new migrant entrepreneurs. These calls signify, among others, a stronger emphasis of entrepreneurship research on group processes rather than individual storylines (Drakopoulou Dodd and Anderson, 2007), as well as a keener application of qualitative methods in this area (Downing, 2005). The paper, therefore, responds to these calls by inquiring qualitatively into the processes through which new migrant entrepreneurs collectively construct their bounded, subjective, sometimes emotion-laden realities and vocabularies, while remaining sensitive to the broader social and institutional environment in which those processes unfold. The paper’s contribution hence lies in addressing both levels of meaning-making (societal and individual) that are equally viable in providing (partial) explanations for the actions and attitudes of new migrant entrepreneurs (the term ‘explaining’ is understood interpretivistically: in terms of attempting to understand and describe better the individual worlds of social actors). This approach enables us to render the complexity of new migrant entrepreneurship – often influenced by multidirectional and even contradictory psychological and cultural forces, as is shown in the article – to be rendered in the analysis process. The risk of providing a reductionist account of
an inherently multilayered situation is thus eschewed. In doing so, encouragement is drawn from existing constructivist research in entrepreneurship, but also providing original methodological and analytic lenses for the benefit of future studies.

The structure of this article is as follows. Extant literature on new migrant entrepreneurs is reviewed by, followed by a description and justification of the methodology and the importance of generalizing from the specific case to the broader literature. Subsequently, the findings are analysed, and then an integrated discussion and conclusion includes policy recommendations.

**New migrant entrepreneurs: Barriers and performance factors**

Following their initial arrival in the UK from the late 1960s onwards, subsequent waves of Eritrean migrants have largely comprised family reunions, asylum seekers and refugees (Tesfagiorgios, 2006). They were first driven by unfavourable home country economic conditions (Hepner, 2009; Kibreab, 2008). These new migrants exhibit distinctive characteristics, as well as common ones (Jones et al., 2015) including a specific migration experience (Sepulveda et al., 2011), and are constrained along various dimensions in the context of superdiversity (Jones et al., 2015; Vertovec, 2007). Thus, motivated by the observation that their entrepreneurial activities have been to date neglected (e.g. Fregetto, 2004; Light, 1972), the paper seeks to develop a broader understanding of these activities as a component of increasingly diversified flows of immigration (Ram and Jones, 2008). Exploring new migrant entrepreneurial activity can enhance understanding of how their specific socio-cultural dynamics feed into their entrepreneurial decisions and performance. In common with the earlier waves of migrants and subsequent UK-born generations of people from certain migrant backgrounds, these new migrants are highly marginalized, often experiencing high rates of unemployment, poor living conditions and discrimination (Sepulveda et al., 2011), as
well as racism (Ishaq et al., 2010), and are often necessity entrepreneurs due to labour market disadvantage, e.g. institutionalized discrimination (Rath, 2010). Very few extant studies address business formation and entrepreneurship amongst new migrants (Sepulveda et al., 2011). Yet, while the general literature on migrant entrepreneurship might be relevant, the specific features that differentiate new migrants from other more established diasporic groups place limits on theoretical adaptation (Jones et al., 2014; Sepulveda et al., 2011). Jones et al. (2015, p. 17) observe that new migrants exhibit ‘subistence entrepreneurship, skewed sectoral distribution, under-capitalization and negligible profits’, noting that they are ‘thwarted by the political-economic structure … but as agents … display a quite remarkable entrepreneurial ethos, creating a wealth of valuable … business activity from the most slender resources.’ To illustrate this point, new migrants are presented with cultural, legal, and language barriers or challenges from the outset (Vertovec, 2007). Moreover, Sepulveda et al. (2011) note that the migration experience of new migrants is quite different from the more established communities residing in the UK. Indeed, in common with other entrepreneurs from migrant backgrounds, new migrant entrepreneurs face the following bundle of five major challenges and constraints.

First, people from migrant backgrounds face significant discrimination in the UK labour market (Ram et al., 2017). Waged-employed (new) migrants are often underemployed, or are in low-skilled and low-paid work that does not reflect their education, talents or experience (e.g. Mason, 2000; Vershinina et al., 2011), all contributing to long-term difficulties for (new) migrants. Indeed, Jones et al. (2012) report that people unsuccessful in gaining employment typically experience substantial downward mobility. Even when qualifications are accounted for, migrants are more likely to be without a job, or to be in lower hierarchical levels or in lower status employment than white people (Jones, 1993). Consequently, discrimination on the part of employers appears to influence their labor market disadvantage (Modood et al., 1997), hence pushing them into entrepreneurship (Ram, 1992).
Second, these high rates of joblessness and low status jobs can be attributed to perceived deficiencies in the English language, other skills or qualifications, in comparison to their white counterparts (Jewson et al., 1990). Indeed, Brown (1984) suggests that (new) migrants with less aptitude in speaking and/or comprehending English language face more difficulties in the labor market.

Third, specific groups of immigrant origin (especially African-Caribbeans) who own businesses face constraints in accessing external finance, especially from high-street retail banks (Deakins et al., 2007; Ram and Deakins, 1995). Additional barriers include lacking access to the following: ‘ethnic resources’ (Waldinger, 1990), social capital (Deakins et al., 2007) generated within well-established communities, and/or understanding of the institutional context when they are from different cultures (Vertovec, 2007).

Fourth, and following the above point, cultural conflicts occur due to the different values and norms of people from diverse cultures (Kanter and Corn, 1994) such that a person behaves in accordance with those of his or her culture, whereas someone from a different predetermined cultural background might interpret his/her actions from an opposite perspective, leading to misinterpretation and possibly clashes. Given migrants’ cultural diversity, acculturation could be desirable in their new place of abode (Berry, 1997). Prior literature conceptualizes different migrant-origin community groups as culture-bearing units due to their diverse cultures (e.g. Barth, 1969a, b) and acculturation is seen to impact behaviour.

Fifth, networking and social capital are critical emergent conduits of knowledge for entrepreneurs (Audretsch and Keilbach, 2004; Urban, 2011) with the extent of networking engaged in influencing success or failure (e.g. Ekanem and Wyer, 2007; Ram and Deakins, 1995). Specifically, networking generates diverse relevant knowledge about new products, marketing strategies, and the potential for new suppliers, gaining general industry and market
information and, indeed, further networking opportunities (Ekanem and Wyer, 2007). Entrepreneurs from migrant backgrounds that maintain close kinship and peer networks enjoy social capital benefits in terms of workforce, local clientele, information, and financial and other resources founded on reciprocal trust among network members (Werbner, 1990).

Therefore, the research material is analysed taking into consideration the entrepreneur’s connection with the wider social world riddled with constraints and challenges described above – cultural as much as political and economic in nature (see also Ram et al., 2017). Yet, since this study is interpretivist, the importance of the individual construal of those barriers and challenges is recognized. Therefore, the paper adds to a body of authors who have approached the subject area from a social constructivist perspective (Calás et al., 2009; Hjorth et al., 2008; Ogbor, 2000; Welte et al., 2016), including those who address the issue of sense-making in entrepreneurship (e.g. Gartner, 2016). Hence the paper presents individual approaches to entrepreneurial activity against the entrepreneurs’ specific social and historical background, as well as canvassing their convictions, strivings, and attitudes with regard to the wider theoretical plane of existing research in migrant entrepreneurship.

While exploring the more subjective aspects of activity may not be the most popular angle of entrepreneurial inquiry, embodied experiences, personal affects, and emotion have been present in one form or another on the agenda of entrepreneurship studies as early as the classic writings of Schumpeter (1951). Important positive affects such as joy (Smilor, 1997), love (Cardon et al., 2005), and pride (Bierly et al., 2000) moderate or impact directly the entrepreneurial process (Baron, 2008). Since the encompassing reviews of the role of subjectivity in entrepreneurship have already been provided (e.g. Cardon et al., 2009), it is argued that it is only natural to embed in this study several subjective psychological factors, such as risk-aversion or reticence.
Research methods

This interpretivist study, which was conducted from the social constructivist angle (Berger and Luckman, 1966), enabled access to a complex and multifaceted social phenomenon. All meaningful reality is contingent upon human practices, and is constructed in and out of interaction between human beings and their world and developed within an essentially social context (Crotty, 1998, p. 42). Hence the paper’s qualitative approach enabled understanding of participants ideographically and exploring the meanings which they attach to ideas within their social reality (Bryman, 1988). Interpretive Phenomenological Analysis (IPA) was employed (Andrade, 2009; Biggerstaff and Thompson, 2008; Charmaz, 2006).

The rigorous three-stage process enabled theoretical saturation (Corbin and Strauss, 2008) by identifying the following participants: (1) eight through purposive sampling; (2) fourteen using snowballing; and (3) ten from wider geographical locations based on grounded theory precedence (Glaser, 2001), and to moderate the influence of geographically localized factors (Table 1). Indeed, Andrade (2009) achieved theoretical saturation after 38 interviews.

Semi-structured, in-depth interviews were conducted with a sample of thirty-two Eritrean new migrant entrepreneurs that typically lasted 60-90 minutes. An interview guide served as a reference point and as a final check before closing the interview. The interviews focused on the participants’ experiences, thoughts, attitudes, and feelings with regard to establishing their own businesses using essentially open questions (Charmaz, 2006). The interviews were recorded and transcribed verbatim, including indications of pauses, mishearings, apparent mistakes, and even speech dynamics (Biggerstaff and Thompson, 2008).

Across all three stages, theoretical coding was undertaken where the higher level concepts were firmly established through lower level concepts, themselves based on data.
(Corbin and Strauss, 2008), and involving constant comparison by comparing the codes that emerged from each stage to identify recurring and/or new emerging evidence to generate more abstract concepts and theories generated. Additionally, open coding was utilized (early on: to identify and develop categories and sub-categories in terms of their properties and dimensions), axial coding (to reassemble data coherently after being fractured) and selective coding (Corbin and Strauss, 2008; Rodon and Pastor, 2007; Strauss, 1987). Further steps included keeping a memo to record actions taken, and the nature and origin of any emergent interpretations, and either grouping the codes, giving them descriptive names, or discarding them. Categories were created to capture theoretical codes and to specify possible relationships between them, and clustered them into super-ordinate themes, and created a master table summarizing all the codes and categories created thus far. The paper’s framework included a set of broad categories (selective codes) and associated concepts that describe the salient events, experiences, and associated consequences (Charmaz, 2006). Once saturation was achieved, the relevant literatures were scrutinized for relevant models, frameworks, or theories. Therefore, the paper’s two-level exploration was methodologically viable as the individual worlds of experience were reconstructed (Kostera, 2007), pointing towards institutionalized phenomena affecting those worlds and further explored through existing literature. While generalization in interpretivist studies is often contested (Williams, 2002), grounded theory enables generalization by studying similar cases (Bryant and Charmaz, 2010). The findings are relevant to this study’s immediate context (Welter, 2011; Zahra, 2007) and also more widely, e.g. to other organizational contexts with similar dynamics, e.g. passivity, apathy, and risk-aversion.

The rationale behind the paper’s open engagement with the constructivist approach is threefold. First, on the basic operational textual level, recognized as problematic in prior entrepreneurship literature (Lindgren and Packendorf, 2009), the study’s primary theoretical assumptions are made explicit. Second, the constructivist perspective is well aligned with
achieving a deep understanding of entrepreneurial activity which involves physical, social, cultural, political, and other ‘objects’ that constitute a manifold mixture from which individual entrepreneurial strivings, efforts and pitfalls emerge. In opposition to structural-determinist views, entrepreneurship is reconceptualized as representing wider social, cultural, or political frameworks (in line with mixed embeddedness [Kloosterman and Rath, 2001]) by explicitly focusing the analysis on rendering this diversity – this element enables the TPB’s subjectivist focus on attitudes and perceived norms/controls to be supplemented with the much needed social dimension. Finally, as argued in the introduction, new migrant entrepreneurs’ specific situation – including re-construction of their livelihoods, and particularly how they construct their entrepreneurial identities – is entirely appropriate for constructivist research. While ample empirical material is possessed to present in each aspect of the analysis conducted below, due to lack of space only the few most suitable interview excerpts were quoted.

It is imperative to see both parts of the Analysis section as inter-related: it is in line with the social constructivist view to scrutinize how the objective ‘world of things’ emerges from subjective factors. This is how it is proposed to read this section – ‘institutionalized barriers’ are not independent of intersubjective processes through which they emerged; on the other hand, the subjective ‘performance’ of the interviewed entrepreneurs is conducted against the institutional landscape which provides them with ‘objective’ context.

**Analysis: ‘Objective’ Institutionalized barriers**

According to the methodological literature, one way of gauging the originality of a grounded theory based study is by assessing “how the grounded theory challenges, extends or refines current ideas, concepts, and practices” (Charmaz, 2006, p. 183). In presenting the findings, therefore, a comprehensive discussion is provided identifying similarities to (and contrasts with) the body of knowledge, thus addressing: (1) cultural background, (2) financial, human
and social capitals, and (3) government immigration policies.

First, participants indicated that their cultural background played a major role in their mindset and decision-making in entrepreneurial start-up in two ways. First, while new migrants may have lacked the confidence to engage in entrepreneurial activities, it was not uncommon due to their cultural upbringing. Secondly, Eritreans, as Africans of other origins, were raised in a culture that promotes a strong family bond. Therefore, as the comment below – representative across the research material – suggests, they showed a strong bond to other family members, and even the extended family members back in Eritrea:

‘I have a big commitment to my family members back home in Eritrea and Africa .... So it is … understandable that I was very cautious about starting my own business. Nobody could guarantee me that the business will be a success [and the potential business failure would also imply failing those who stayed behind]. I do not take risks ...’ (Interviewee 3, Merchandise).

Whilst providing a resource, the constrictive nature of this bond is also evident and implied by the context in which the word ‘commitment’ is used, as well as by an overtly stated linkage with risk-aversion.

Second, scholars have stressed the importance of financial, human, and social capital in decision-making in the start-up of immigrant-owned businesses (e.g. Ram et al., 2013). Hence, the prospective new migrant entrepreneurs sourced funding for their start-up from bank loans, government start-up capital, and finance from family and other contacts. Management knowledge and experience (human capital) similarly emerged as important:

‘Personally, the fact that I had a good knowledge of management in the entrepreneurial setting played a major role in my decision to start up my own business.’ (Interviewee 22, Services).

Then, in terms of the utilization (or not) of co-ethnic resources and business opportunities (e.g. Fregetto, 2004; Jones et al., 2012), culture influenced the behavioural patterns of Eritreans. Although they may have operated in the same business domains as other immigrants, they did not even network with fellow Eritreans, which delimited their entrepreneurial prowess.
Third, while regulation is a critical determinant of international variations in entrepreneurial activity, particularly from a mixed embeddedness perspective (Jones et al., 2014; Kloosterman and Rath, 2001; Ram et al., 2017), it should increase in favourable regulatory conditions. New migrants have the freedom to engage in entrepreneurial activity in the UK. However, the participants suggested several regulatory constraints exerting negative influences on whether new migrants engaged in entrepreneurial start-ups. They reported that racism and discrimination (Ishaq et al., 2010; Sepulveda et al., 2011) were consistently characteristic features of their negative experience of UK society. Indeed, they described these as core, hidden factors that explained unfriendly and provocative behaviour not just from government personnel towards new migrants generally, but also in the wider community, a situation which had deeply rooted interpretations in the victim’s mind:

‘If I am in a society where I am discriminated against… because of my background, it sends a clear message – I am not wanted in that place.’ (Interviewee 28, Merchandise).

Experiences such as these are likely to demoralize the victims and deter them from behaving in ways that reflect attachment and commitment to the context of that experience. According to the interviewees, these negative experiences intensified their desire to return to Eritrea, where, in the words of one participant, ‘Eritreans can be who they are and would not be discriminated against, insulted, nor called liars’ (Interviewee 16). The further implication was that Eritreans showed a tendency of not wanting to integrate with the native UK people.

In this section, a landscape riddled with objective barriers and obstacles directly affecting the entrepreneurial attitude of the particular group of individuals was canvassed.
Analysis: Subjective Performance Factors

Next the paper focuses on the processes through which participants’ decisions to become entrepreneurs were institutionalized through subjective sensemaking processes: the paper’s interest is not with limits or barriers as such, but processes of limiting, by which barriers were erected, specifically: (1) management know-how and experience; (2) finance; (3) knowledge of the market; (4) foreign culture and language; (5) risk aversion and lack of innovativeness; and (6) contacts and networking.

First, the participants were overall likely to succeed if they felt confident regarding their degree of management knowledge and experience, strongly emphasizing the decisiveness of their formal education (which they believed disadvantages them compared to most local entrepreneurs). Perhaps this perception was a self-fulfilling prophecy since entrepreneurs that lacked management knowledge and/or experience showed strong failure tendencies. Indeed, those participants strongly tended not to utilize opportunities and expand their business, possibly due to underestimating the potential of learning from their own entrepreneurial attempts and utilizing available resources. Importantly, the self-imposed understanding of their knowledge and skills affects the perceived know-how that Eritreans have. Often they resultantly downplay their capacity to embrace know-how. This constructed individual world is rendered in largely passive, non-agentic terms (i.e. related to the concept of human ‘agency’ whereby people make choices) in which knowledge is seen as a commodity extremely difficult to acquire at an individual (rather than group or community) level:

‘We Eritreans look down on our own capability and transferable skills that we have amassed which would make us successful entrepreneurs in the UK. I think we lack confidence […]’

(Interviewee 17, Foods)

While this passivity involves entrepreneurial intention, or lack of it, in line with the TPB this emerging, deeply-embedded mental model provided the conditions of possibility for the intention to appear (largely negative in this case).
Second, participants perceived finance as instrumental to their success or failure respectively. They generally believed that their ability to access funding, mainly through social networks or ‘self-help strategies’ (Ekanem and Wyer, 2007, p. 146), enabled them to seek ways to stabilize their businesses: for example, by undertaking market analysis, improving the range of products/services they offer, exploiting new opportunities in the market, etc. As they indicated constraints to their business growth caused by undercapitalization or limited access to finance in largely non-agentic terms, the perception of agency in terms of access to finance became dominant, such as:

‘This entrepreneurship journey has been very tough from the start and finance has been the major issue. It was very difficult for me to find the finance to start my business and this problem is also the major factor why my business is failing.’ (Interviewee 23, Merchandise)

However, the persistence of financial barriers was no less the question of the objective lack of access to resources as it was a behavioural trait and a state of mind. Financial constraints were as much experienced as they were enacted. The participants’ inability to interact effectively with the UK small business support environment (and take advantage of support opportunities) must be seen in the light of their broader disinclination to integrate. They were hesitant to ask for and to accept support from outside sources, being entrenched in their own communities to the point of being almost oblivious of what was happening beyond their community network. Some may have been aware of available support, but thought they were not intended for them:

‘We don’t know much about the British culture; we don’t know the language properly and we are afraid to ask. Also, we don’t want to involve outsiders lest they find out things we don’t want them to discover.’ (Interviewee 14, Services)

The lack of means in the financial arena must, therefore, be understood beyond ‘lack of money’, since it involved a deeper psychological concept and an apparent lack of cognitive reference points enabling them to attempt to acquire funds or seek support.

Third, whether new migrant entrepreneurs in the UK succeeded or failed also explained
the extent to which they recognized themselves as knowledgeable market agents and to which they were motivated to seek new knowledge. Those who claimed to have a good knowledge of the market emphasized formal knowledge, associated with schooling or training (similar to management know-how above). For example, a respondent with three years of training (as an apprentice) in his area of business prior to start-up commented:

‘The fact that I decided to do three years training is helping my business so much.... The knowledge and experience gained, I must say, are even of more significance to my business than money.’ (Interviewee 30, Services)

The findings support existing literature suggesting that migrant entrepreneurs that lack knowledge of their own market and, therefore, which fail to strategize their business operations to fit market developments are likely to fail (Ekanem and Wyer, 2007). Again, however, they largely disregarded tacit and informal elements of market knowledge that are available through the lived experience of entrepreneurship. Both their lack of basic operational wisdom and knowledge of the market must be construed against the backdrop of their lack of confidence and unwillingness to integrate which prevented them from exploiting the market.

‘I, like most Eritreans, was only looking for the market within my own community. I know there is a huge market out there, but I prefer to work with people I know and who speak my language.’ (Interviewee 9, Merchandise)

Therefore, the insufficient explicit, tangible understanding of the market emerged as a notion underpinned by a deeper mental model at the level of which a construct of ‘knowledge’ was embedded (and which pre-decided which actions would be undertaken).

Fourth, some participants failed in their business activities because they rejected the culture and language of their newfound home. Most poorly performing interviewees indicated that they did not engage with the UK culture and language:

‘I don’t want to lose my culture. That is why I keep my eyes firmly fixed on my country and link with people from my country and in my country.’ (Interviewee 12, Foods)
They are a tightly knit group holding fond memories of Eritrea and ongoing relationships with people ‘back home’, which greatly limited their prospects of integration into the wider society. Consequently, they idealized the myth of the definite return to the homeland which, along with their reluctance to integrate, could create a feeling of alienation from the host community. While this attitude can be understood as an individual ‘choice’, it was closer to an across-the-board mental construct (once again, delimiting the realm of potential intentions and associated actions) shared among the Eritrean entrepreneurs. While the cultural foreignness may be considered an objective barrier (as discussed before), it equally is subjectively performed. Being in the UK was construed as a merely transitory stage, and thus any activity developed in the UK was seen as equally impermanent:

‘...I don’t have to learn the language and have deep understanding of the British culture as I am here only for a while. I just want to save some money until it is safe for me to go back home.’

(Interviewee 7, Foods)

Fifth, while creativity and risk-taking are core prerequisites for successful entrepreneurial behaviour, new migrant entrepreneurs’ ventures appeared to fail because of risk aversion and short-termism, often reflected in lack of innovativeness. A plausible explanation, therefore, was that they inclined heavily to their own cultural values and established ways of approaching life (see above) and that they rarely stepped into the unknown. As Interviewee 10 explained:

‘Trying new things and bringing fresh ideas into the business can help the business, but not only does that involve money, but also you cannot be sure if it would bring positive results ..... People are waiting for me to feed them back in my country.’ (Interviewee 10, Foods)

Even though they perceived that taking risks and being proactive and innovative could help revive their businesses, their decision-making was influenced more by uncertainty associated with the outcome, hence their operational approach might have caused their new business venture to fail. Coming from a developing (‘factor-led’) country where manual labour is highly valued, most Eritreans in the UK engaged in physical work such as in factories. Combined with
lacking confidence in innovation and their risk averse attitudes, they preferred businesses that required low capital outlay but high labour intensity, thus rendering their difficulty to innovate as a self-fulfilling prophecy grounded in their sensemaking: in their constructed worlds, there was often no room for wanting to take a speculative action and, therefore, risks were not taken:

‘….I would want to start a car wash business. One doesn't need a lot of money to start it up but needs to work very long hours. I would be prepared to work up to 18 hours a day. That business would suit any Eritrean perfectly.... […] That is why you don’t see many Eritreans in business and prospering. You see, we Eritreans do not want to take risks […]’ (Interviewee 15, Foods)

Sixth, although almost all participants heavily utilize their social networks as a central source of social capital (e.g. Jones et al., 2012), as suggested by Fregetto (2004), there appears to be a strong relationship between the possession of social capital and business success. However, for the participants, social capital was strongly associated not only with the objective social reality in which the activity takes place, but also, predominantly, with how individual agencies of entrepreneurs are exercised in their embodied entrepreneurial experience:

‘If I had good contacts and network, that could enable me to access finance and business skills and initiatives to help my business grow.’ (Interviewee 24, Merchandise)

Admittedly, living in a foreign land and facing language barriers, lack of knowledge of institutional and entrepreneurial structures, and facing constrained access to finance or advice from public agencies, new migrants would find it difficult to establish businesses.

‘…We Eritreans do not cooperate with each other as other nationalities do. They work cooperatively with their cousins, nieces, nephews etc. You do not see this type of cooperation among Eritreans....’ (Interviewee 20, Services)

‘If you ever start up a business, say for example a restaurant, your target customers should never be Eritreans as they will neither use your service nor cooperate with you.’ (Interviewee 14, Services)

The tight networks that existed within the Eritrean Diaspora might have been expected to offer
benefits of resource leverage and strong levels of support and trust. However, the overwhelming consensus among all the participants of this study was that Eritreans tended never to cooperate with each other in business. The manner of interpreting and enacting networking in this community confined an individual entrepreneur to a solitary struggle against the odds.

‘Eritreans are willing to die for you... they would risk their lives for you, but they don’t risk investing their money in partnership with you, and they do not risk seeing you succeed in business....’ (Interviewee 2, Foods)

Once again, the ‘objective’ social circumstances did not fully explain this reticent attitude to cooperate, as the latter appeared deeply embedded in the mental model preceding action (or even willingness to act). The extant literature found strong internal networks of relationships between migrants, so the question of possession (or not) of an extended network facilitating entrepreneurship is driven by the selective, subjective construct of business networking.

**Discussion and conclusion**

Given the scant understanding of the dynamics of new migrants’ entrepreneurial activities (Ram *et al.*, 2017), these issues were addressed to enhance the theoretical foundations of migrant entrepreneurship research. Additionally, given notable omissions in extant empirical research and problematic definitions, Ram *et al*.’s (2017, pp. 12-13) call for ‘social constructionist perspectives that emphasize the importance of context and social processes’ was addressed. The empirical findings indicated that, while new migrants faced objective boundaries – in line with extant research – those did not sufficiently explain the whole array of their motivations and disinclinations towards entrepreneurial activity. As mentioned previously, it is important to examine both parts of the analysis in conjunction, as each part separately provides partial picture. It is crucial to note that institutionalized barriers cannot be separated from subjective performance when policy intervention is considered; indeed, their
interconnectedness provides a pathway to theoretical insight, as explained below. Admittedly, these new migrant entrepreneurs often depended on financial and knowledge support from family members and contacts in their pre- and post-start up process and political factors in terms of obstacles and discrimination experienced from both regulatory bodies and the wider UK community. The paper contributes to explaining social, human, and financial capitals by showing how they operate in the under-researched context of Eritrean migrants in the UK. Therefore, in order of exposition, institutionalized barriers to entrepreneurship were explained through external aspects affecting their ability to undertake particular activity, including cultural background and existing barriers of access to a variety of resources (e.g. finance and know-how). It is, however, imperative to construe their entrepreneurial activity as driven by external considerations as well as subjective behaviours and attitudes. In this vein, performance consists of the embodied and lived experiences of construing their entrepreneurial world in largely formalistic and non-agentic terms. Thus, while entrepreneurial activity was predominantly considered by the actors in a one-dimensional performativist frame, it is analysed bi-dimensionally in a constructivist spirit, as the interplay between external (material, cultural, educational) and internal (experienced and lived) realities. Remaining sensitive to both – as they converge upon the multi-layered enactment of entrepreneurial activity as a complex social, cultural, no less than psychological, phenomenon – enabled a better understanding of the subjective base of objectively identifiable attitudes and behaviours.

In that respect, the new migrants’ entrepreneurship is underpinned by a set of six core beliefs mitigating their entrepreneurial attitudes independently from the objectivized institutionalized barriers: (1) know-how needs to be acquired formally; (2) available sources of financing are internal, and scarce; (3) market expertise is in the books, rather than in the market; (4) blending in the host country’s culture is uncalled for, and the resulting difficulty of operating in the ‘foreign’ market is a price worth paying; (5) risk is to be avoided at all cost; and (6)
strong intra-communal bonds need not entail support for the business activity. Hence, while potentially acting upon the ‘objective’ phenomena of institutionalized barriers may seem to promise direct and prompt reactions from the community in question, it is proposed that any such intervention will always be mediated (and limited) by ‘subjective’ performance phenomena that affect the translation of the external intervention into behavioural change.

Any intervention to mitigate institutionalized barriers – e.g. supplying an additional credit line for migrant entrepreneurs – may be short term, superficial or both because – in line with the Theory of Planned Behaviour – it is crucial to scrutinize how those barriers are performed. For example, the likelihood that information regarding the scheme will not reach a potential beneficiary due to the ‘gated’ nature of their communities; that, even if it does, it will not be believed due to an embedded suspicion towards the host country officials and government; or that, even if two previous obstacles are overcome, the take-up of the credit line will be extremely limited because of the psychologically ingrained attitude of risk aversion. Therefore, any policy intervention or an attempt at structural change of conditions in which new migrant entrepreneurship unfolds should consider entrepreneurs as ‘performing’ individuals, as well as representatives of wider cultural, economic and social dynamics relating to these institutionalized barriers. Thus new migrant entrepreneurial activity emerges as a complex phenomenon rendering entrepreneurship as much a set of activities publicly undertaken by the actors as it is a set of sensemaking dynamics embedded in a mental model, of which the entrepreneurs-in-the-making provide an excellent example. While the current paper is not explicitly implementation-focused, one policy response might be a structured network of psychological support to assist the entrepreneurs to feel more ‘at home’, thus potentially increasing their likelihood to root themselves in the host country. The existing support and counselling networks rarely target the entrepreneurial aspects of new migrants’ life. Such networks could assume the shape of one-to-one (or small group) counselling,
enabling counsellors to moderate the psychologically embedded factors, such as mental models of disengagement, while remaining sensitive to migrants’ already existing identity features. Thus, taking a distant stance from the forced assimilation discourses, targeted, specific, host-country led initiatives mixing in entrepreneurial activation with psychologically positive cues (adjusted to a particular migrant group) could be effective. For instance, given the performance aspects discussed in this paper, providing a formal recognition upon completion of the series of counselling sessions (e.g. a diploma) or enabling the support for cultural preservation initiatives associated with participation could be considered promising in this context. In the spirit of the findings, the concrete form of such interventions would naturally need to be highly contextualized to fit the need of a given group – one size does not only not ‘fit all’, it fits rather few.

On a wider theoretical plane of migrant entrepreneurship, the paper provides support to the call to embrace the complexity and multilayered-ness of entrepreneurship. Specifically, the paper bridges the Theory of Planned Behaviour’s focus on psychological constructs and institutional and economic explanatory frameworks, by including both societal and individual levels of meaning making. The classic Theory of Planned Behaviour remains silent about institutionalized barriers. We, therefore, go beyond considering the intentionality of behaviour – which is characteristic of the TPB – and perceive the behaviours as conditioned by the already established institutional (objectified) order, as much as by individual perceptions. Hence, by embracing the full spectrum of classic social constructivism leading from subjective decision-making to objectified social realities, the paper positions the subjective psychological dynamics of interest to TPB within the wider institutionalized (socially-objectified) context. In addition to explaining behavioural patterns otherwise difficult to tackle (e.g., because they may be exhibited by populations engaging in sensemaking considered unintuitive or exotic compared to the ‘Western’ perspective), such an approach allows greater sensitivity towards the complex
nature of such key concepts as entrepreneurial ‘success’ and ‘failure’. The line between both may be thinner – or indeed shifted, as demonstrated in this paper – in comparison with distinctions made in most single-dimensional approaches.

Finally, since, as argued above, the methodology enabled the research material to span across the levels of individual attitudes and wider categories of types of economic agents, the validity of the findings extends beyond providing theoretical and empirical reflection regarding the understudied area of new migrant entrepreneurship. This inquiry aims to inform wider field of entrepreneurship research, such as the scrutiny of entrepreneurial risk taking attitudes (e.g. Antonic, 2003), as well as to potentially inform investigations in other complex and multi-layered areas of organization studies associated with non-agentic behaviours, such as apathy (Hays, 2008) or silence (Morrison and Milliken, 2000).
References


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