

Revised Chapter for SAGE *Handbook for Entrepreneurship and Small Business*, edited by Robert Blackburn, Dick De Clercq, Jarna Heinonen and Zhongming Wang

Migrant Entrepreneurship

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December 2016

Acknowledgements

Material from the Quarterly Labour Force Survey is Crown Copyright and has been made available by the Office for National Statistics (ONS) through the UK Data Service. I am grateful to Robert Blackburn for providing some helpful comments. The views expressed in this chapter and errors therein are those of the author.

Introduction

Migration has become one of the most important contemporary public policy issues and topics for debate all over the world, as the movement of people across national boundaries has continued to increase. Evidence on the scale of global migration has recently been provided by the United Nations who estimated that 244 million people lived outside the country of their birth in 2015, which represented a 41% increase in comparison to the estimate for 2000 (UN, 2015). Therefore, and perhaps not surprisingly, a large international literature has begun to emerge over the last couple of decades on the relationship between entrepreneurship and migration. This literature initially started to emerge in sociology (Light, 1972; Bonacich; 1973), especially in relation to migrant enterprise in the United States (US), but has subsequently been augmented by studies from economics (Borjas, 1986; Yuengert, 1995) and then more recently from the expanding entrepreneurship literature more generally (Levie, 2007; Kwong *et al.*, 2009; Peroni *et al.*, 2016). However, it is not easy to summarise very succinctly the main findings from this literature because of the complexity of migration and therefore the range of possible ways in which it can impact on entrepreneurship - both positively and negatively. As a result, it is important to carefully consider how levels of entrepreneurship can vary for different groups of migrants and the factors that might account for such variations.

The growth in global migration that has been observed in recent decades is due to a myriad of factors (Castles *et al.*, 2013). However, of particular importance are those influences that underlie the continued process of globalisation. These include increased regional economic integration, which has enabled migrants from countries

that are part of free-trade areas, such as the European Union (EU), to move to other member states often without restrictions. However, in some cases, migration policies that have been developed as a response to the increased migration due to the freedom of movement are likely to have influenced migrant entrepreneurship. For example, countries such as the United Kingdom (UK) have imposed certain restrictions on migration both before and after recent enlargements of the EU so that migrants from new member states could enter the labour market but only through certain routes, including by declaring themselves as self-employed (Clark *et al.*, 2016). Governments have also actively encouraged immigration by particular groups, especially highly skilled workers and entrepreneurs more generally (Home Office, 2013). This is because of the desire of many modern governments to create a more dynamic and flexible economy, often driven by the continued objective of increasing economic growth rates. Given the view, dating back to Schumpeter (1942), that entrepreneurs can facilitate a more dynamic economy than migrant entrepreneurs are a group that countries have been particularly keen to attract. Different national governments have therefore introduced specific schemes aimed at enticing entrepreneurs to relocate in their countries (Desiderio, 2014).

This chapter examines the relationship between entrepreneurship and migration by firstly discussing the ways in which these terms have typically been measured in the literature. To illustrate some of the key features of this relationship, some initial evidence on entrepreneurship and migration is presented, using recent data for the UK. This is followed by a more detailed discussion of how entrepreneurship can be affected by a wide range of factors for different groups of migrants. Some of these

factors may be general demographic influences, whereas others may be specific to particular migrant groups. The subsequent section then presents some up-to-date evidence on migrant entrepreneurship in the UK, focusing on some of the key drivers. The chapter culminates with a conclusion that briefly summarises the main findings from the review of the literature and empirical evidence, as well as providing some of the main policy implications and comments on future directions for research.

Defining and Measuring Migrant Entrepreneurship

The section begins by considering different measures of entrepreneurship. The concept of entrepreneurship has been discussed and debated over several centuries and is thought to have originated in Eighteenth Century France and to be derived from the term “entreprendre” – meaning “to do something” or “to undertake” (Sobel, 2008). It has subsequently been refined, reshaped and adapted in several directions, including to encompass notions relating to the bearing of risk (Knight, 1921) and as a key source of innovation through a process of creative destruction (Schumpeter, 1942). However, for the purposes of this chapter, the definition of entrepreneurship emerges from a fairly pragmatic perspective and is to some extent determined by the available data. Such issues are particularly pertinent in relation to examining migrant entrepreneurship because migrant groups can be rather small with regards to the number of entrepreneurs that they contain, especially in relation to the majority population. Consequently, in order to undertake meaningful comparisons between group, suitable data sources must be analysed.

Parker (2008) identifies two main broad approaches that have been used to measure entrepreneurship, especially with regards to making comparisons across countries. These are, firstly, estimates of entrepreneurship relating to self-employment, as obtained from large-scale population surveys such as the Labour Force Survey (LFS), and as reported in the Labour Force Statistics published by the Organisation for Economic Cooperation and Development (OECD). Secondly, more specific estimates of entrepreneurship as defined by the formation and operation of new firms from the Global Entrepreneurship Monitor (GEM). In particular, the GEM definition attempts to capture the total level of entrepreneurial activity. Parker (2008) notes that the two methods and approaches each have their advantages and disadvantages.

Estimates of self-employment from surveys are typically derived from a question that asks respondents about their main economic/labour market activity. The responses are then grossed up to provide estimates for the population as a whole by applying the appropriate weights. However, the types of jobs that the self-employed do vary widely in terms of status and earnings and they are likely to have become more irregular and precarious over time. This includes the increase in 'false' self-employment in Western European countries, which has been heavily influenced by migration from new member states following EU enlargement (Thornquist, 2015). Nevertheless, Faggio and Silva (2014) examine the relationship between self-employment and key features of entrepreneurship in the UK. Their measure of self-employment comes from the LFS, whilst entrepreneurship focuses on innovation and business creation. They find that the correlation between self-employment,

innovation and business creation is strongly positive in urban areas but not in rural areas.

Moreover, there are several studies in which entrepreneurs have been directly identified with reference to whether a respondent participating in a social survey reports themselves as being self-employed. For example, in order to answer the question of “What makes an entrepreneur?”, Blanchflower and Oswald (1998) undertake a detailed analysis of survey data from the UK National Child Development Study to identify the socio-demographic characteristics of entrepreneurs and the factors that can facilitate entry. Whilst in attempting to establish whether individuals are “born entrepreneurs”, Viinikainen *et al.* (2016) examine if an individual’s personality in their childhood has an impact on whether they become self-employed in adulthood. This general approach which utilizes information on self-employment from large scale surveys is the one that will mainly be focuses upon in the remainder of this chapter, particularly with regards to the empirical evidence that will be presented.

The concept of a “migrant” can also be measured in a number of ways. The most common is using information on country of birth, with an individual defined as a migrant if they report that they were born outside the country in which they currently reside - regardless of when they moved to that country. Some studies have also considered second-generation migrants, in which the focus is on ethnic minorities more generally (Fairlie and Meyer, 1996; Clark and Drinkwater, 2000). Migrants can also be defined according to their nationality, which will include people

who were born in the host country but consider themselves to have a different nationality but excludes those who assume the nationality of the host country having moved there from their country of origin. Differences between country of birth and nationality are small for some groups, such as migrants to the UK from other parts of the EU, but much larger for others, especially migrants to the UK from non-EU countries (ONS, 2015). For the purposes of this chapter, migration status will primarily be considered using the country of birth definition.

Regardless of how migrants and entrepreneurship are measured, entrepreneurship is found to vary considerably between migrants and the native born across countries. For example, Levie (2007) and Peroni *et al.* (2016) report significant differences in entrepreneurial activity between migrants and the native born using the GEM for the UK and Luxemburg respectively. Similarly, studies that have examined self-employment also identify large variations, including Borjas (1986) for the US, Clark and Drinkwater (2009) for the UK and Constant and Zimmermann (2006) for Germany. There is also some consistency across studies with regards to the diversity in the experience of different ethnic and migrant groups. This includes low levels of entrepreneurial activity among Black groups in both the UK and US, whereas far higher levels have typically been observed for many groups of Asian migrants (Fairlie and Meyer, 1996; Clark and Drinkwater, 2000).

Given the above discussion, as well as to motivate the analysis in the subsequent sections, there now follows an initial analysis of migrant entrepreneurship. This is measured by whether workers who were born outside the host country of birth

identify themselves as primarily being self-employed, using recently collected data from the LFS for the UK.¹ The advantage of using such a data source is that it provides relatively large sample sizes, which is important since self-employment/entrepreneurship can be compared across a range of migrant groups. This is particularly relevant in countries such as the UK, which have experienced high levels of migration from an extremely diverse set of countries since the turn of the Twenty First Century (Vertovec, 2007).

As in other countries, the composition of the migrant population in the UK has evolved over time following the arrival of distinct cohorts of migrants. For example, some of the main migrant groups originated from different parts of the British Commonwealth, after large-scale migration to the UK in the post-war period. In particular, there were relatively large population flows from the Indian sub-continent (especially from India, Pakistan and Bangladesh) to the UK in the 1960s and 1970s. Migration has continued from these countries in more recent times, although at a lower rate. Instead, migration to the UK over the last decade has been dominated by flows from other parts of Europe. This is particularly connected to the enlargements of the EU that took place in 2004 for A8 countries (the eight Central and Eastern European Countries that joined the EU in that year) and in 2007 from A2

¹ The particular sample of data used in this chapter is based on pooled quarters of unweighted LFS data from 2014 and 2015. For further information on the LFS, particularly in relation to how appropriate samples can be constructed to examine self-employment amongst migrant groups, see Clark and Drinkwater (2009) and Li *et al.* (2015). Census data provide relatively similar definitions to surveys such as the LFS (Clark and Drinkwater, 2010).

countries (Bulgaria and Romania).² Furthermore, migration from other parts of the EU has also grown as a result of the relatively poor economic performance of several pre-2004 member states, such as Ireland, Italy, Greece, Portugal and Spain (Drinkwater *et al.*, 2016).

Background information on migration and entrepreneurship in the UK is provided in Table 1, which in addition to summarising how overall self-employment rates (defined as the proportion of those in work whose main job is in self-employment) differ for the main migrant groups that are resident in the UK, also contains details on variations by (grouped) industrial sector and the percentage of self-employed who employ others. As previously indicated, Table 1 reveals that there continues to be considerable diversity in self-employment rates between migrant groups in the UK. In particular, whilst some groups have self-employment rates that are very similar to the UK born such as A8 migrants and those born in other EU countries and India, rates are more than twice as high for migrants from the A2 countries and Pakistan/Bangladesh.

<TABLE 1 AROUND HERE>

These high rates of self-employment can partly be explained by the sectors that certain groups of migrants tend to work in, which are often low-skilled and do not

² Croatia also joined the EU in 2013. Transitional arrangements have also been imposed for migrants from Croatia – similar to those that existed for Bulgaria and Romania from January 2007 to December 2013. In contrast, there were essentially no restrictions on A8 migration to the UK from May 2004. Migrants from these countries could also enter the UK labour market through the self-employment route in the years leading up to the 2004 enlargement (Clark *et al.*, 2016).

require formal academic qualifications. In particular, almost a half of self-employed A2 migrants in the UK work in Construction, whilst over two-thirds of migrants from Pakistan/Bangladesh are employed in the Retail, Transport and Restaurants sectors. In contrast, the UK born and other migrant groups display a more dispersed range of entrepreneurial activities. Table 1 does, however, reveal some further indications of an over-representation of the self-employed in certain sectors such as A8 migrants in Construction and Indian migrants in Retail, Transport and Restaurants. These findings may also be expected, to a certain degree, based on the sectoral concentrations observed for self-employed migrants from the A2 and Pakistan/Bangladesh. Sectoral variations in entrepreneurship will also impact on the percentage of self-employed employing others/working on their own. Migrants from A8 and A2 countries are most likely to work on their own, since 95% don't employ others, which is also related to the shorter amount of time that they have been resident in the UK. In contrast, migrants from India and other non-EU countries are least likely to work on their own, with over 20% of the self-employed from the groups employing others.

Explaining Differences in Migrant Entrepreneurship

The background statistics that have been presented in the previous section provide a useful context for the subsequent discussion of key factors that are thought to explain the observed variations in entrepreneurship between immigrants and natives. Moreover, many of these influences are often able to account for the differences between groups of migrants. These include a range of general socio-demographic characteristics, which often have a similar effect on self-

employment/entrepreneurship for different migrant groups, although possibly to varying degrees (Li, 1999; Simoes *et al.*, 2016). However, there are also a number of migration-specific influences on entrepreneurship, which can affect one or more groups of migrants, again possibly to different degrees (Fairlie and Lofstom, 2015).

In terms of general demographic influences, then there are some characteristics that display a clear association with self-employment (Simoes *et al.*, 2016). For example, rates of self-employment tend to be far lower for women. However, although self-employment is lower for women from virtually all migrant groups, there are large ethnic variations in the gender gap (Clark and Drinkwater, 2000). These differences may be partly explained by cultural and religious influences – since entrepreneurship may be viewed differently for women within certain migrant and religious groups. In terms of age, self-employment tends to be lowest amongst the youngest age groups and to peak amongst the middle aged (Simoes *et al.*, 2016). This can be explained by younger aged groups often lacking the necessary human capital, through more limited labour market experience, as well financial capital to establish their own businesses. As a result, the age distribution of different migrant groups will impact on entrepreneurial activity, with there being a dampening effect for those groups that have a higher proportion of younger workers.

In addition to labour market experience, education plays a fundamental role in determining an individual's stock of human capital, which in turn can influence their entrepreneurial decisions. It can be argued that education can either have a positive or negative effect on self-employment (Simoes *et al.*, 2016). For example, more

highly educated individuals are typically presented with a larger range of opportunities in the paid labour market. In contrast, individuals with fewer formal educational qualifications may be able to achieve relatively higher returns by working for themselves. Lazear (2004) argues that entrepreneurs are 'jacks of all trades', in that they possess a more balanced set of skills rather than having a more specialised expertise. For migrants, proficiency in the host country's main language also makes an important contribution to human capital. Again, opposing arguments could be made with regards to the influence of poor language skills on entrepreneurship. These could result in a limited amount of opportunities in paid employment, thereby pushing individuals into self-employment (Clark and Drinkwater, 2000). On the other hand, it may be difficult for migrants with limited language skills to establish their own businesses, especially due to communication problems with potential customers and suppliers, as well as with regards to being sufficiently informed about the relevant regulations (Fairlie and Lofstrom, 2015). Recent empirical evidence is summarised by Fairlie and Lofstrom (2015), who report that Mexican migrants in the US who have poorer English language skills are more likely to be self-employed but this may not be the case for other groups of migrants.

Marital status and other family considerations, such as the presence of dependent children, can also impact on a person's decision of whether or not to enter, and then to remain in, self-employment. Simoes *et al.* (2016) review evidence on the relationship between entrepreneurship and family connections but report rather mixed results. This is because of possible offsetting influences of marriage as on the one hand it may encourage self-employment as spouses and children may be able to

provide a cheap and reliable source of labour. On the other hand, self-employment may be seen as a less attractive option to a position in the paid labour market because it often provides a more variable and precarious source of income. Different effects may dominate for particular migrant groups, with cultural and religious factors again influencing the impact of family considerations and circumstances.

Geographical factors will also affect entrepreneurship amongst different migrant groups. Not only may some regions be more entrepreneurial than others (Cooke and Morgan, 1998) but entrepreneurship can also be affected by the geographical clustering of some migrant groups into ethnic enclaves. This is because these areas can provide members of migrant groups with a protected market, especially in the sale of ethnic specific goods related to food and clothing (Aldrich *et al.*, 1985), which is an idea that has received some empirical support (Lofstrom, 2002). However, this relationship may not hold in all settings and circumstances as ethnic enclaves can be relatively low income areas with high levels of deprivation as well as having the potential to produce high levels of competition (Clark and Drinkwater, 2010). Moreover, the changing nature of entrepreneurship - especially given the impact of technology - may further weaken the role of the protected market.

There are several other factors that may affect particular migrant groups. These include discrimination in the labour and credit markets (Clark and Drinkwater, 2000; Blanchflower *et al.*, 2003). In particular, employers, consumers and lenders may hold different levels of prejudices towards migrants from particular groups. Some individuals from those groups that are more discriminated against in the labour

market may well have been pushed into self-employment, such as Pakistanis in the UK (Clark and Drinkwater, 2000). In contrast, discrimination in the credit market is likely to have restricted the realisation of business opportunities for more discriminated against groups, as appears to be the case for Blacks in the US (Blanchflower *et al.*, 2003). Moreover, access to the required financial capital is one of the most important factors in blocking potential entrepreneurs from establishing a business (Fairlie and Lofstrom, 2015). In particular, the low levels of personal wealth for some migrant groups can therefore impose a critical limit on obtaining a sufficient amount of financial capital. However, some migrant communities, such as Koreans and Chinese in the US, have a higher propensity to provide funds for business establishment (Bates, 1997).

Empirical studies from the US have also investigated the relationship between self-employment in the host and home countries. Evidence on this issue is mixed, with Yuengert (1995) indicating a positive and significant relationship, whereas no clear association is found by Fairlie and Meyer (1996) and Oyelere and Belton (2012) report that migrants from developing countries are less likely to be self-employed in the US than those from developed countries. Entrepreneurial aspirations may also be different for migrant groups, with education and family appearing to be important explanations for the observed diversity (Basu, 2004). In particular, Basu (2004) is able to distinguish between entrepreneurs whose aspirations are primarily driven by business, family, money and lifestyle considerations.

There are also interactions between demographic characteristics and some of the other influences that have been discussed. For example, higher levels of educational achievement have opened up new opportunities in paid employment for some of the groups that have tended to experience discrimination in the labour market, such as Indians in the UK. This has had the effect of reducing levels of self-employment amongst these groups (Clark and Drinkwater, 2010). The amount of time that the migrant has been resident in the host country may also be important with regards to discrimination and credit constraints. This is because new arrivals may face greater levels of disadvantage in the labour market due to their initial disadvantages in terms of lacking country-specific skills (Chiswick, 1978), which may push them into self-employment. In contrast, those who have been in the host country for longer will have had more time to accumulate the capital that may be required to establish a business.

The above factors can also interact with one another to influence entrepreneurial outcomes for migrant and ethnic groups. In particular, Romero and Valdez (2016) use an intersectional approach to examine ethnic enterprise. They argue that no single experience can be used to explain ethnic entrepreneurship, even within a community that has the same migration and settlement patterns. Similarly, another approach that provides a broader perspective on migrant entrepreneurship is mixed embeddedness (Kloosterman, 2010), which incorporates market conditions and demand-side factors, especially those relating to the political, economic and legal environment. Kloosterman *et al.* (2016) use this approach to study Ghanaian entrepreneurs in the Netherlands. They find that despite their relative high levels of

human capital and recent shifts in the urban economy, this group of migrant entrepreneurs are also concentrated towards the lower end of the labour market.

Recent Evidence on Migrant Entrepreneurship from the UK

The empirical evidence that is provided below is intended to be illustrative of some of the key factors that determine migrant entrepreneurship. Given the discussion of some of the main influences on migrant entrepreneurship that have been identified in the previous section, together with associated references from the literature, the evidence that is primarily provided in this section uses recently available information from the UK LFS for 2014-15 – as outlined in the discussion of Table 1. It is particularly important to provide recent statistics on migrant entrepreneurship because migration is a very dynamic process (Castles *et al.*, 2013), especially in countries such as the UK (Vertovec, 2007). This implies that past empirical evidence can become out-dated, at least to a certain extent, including in relation to entrepreneurship. This is especially true in countries that have experienced high levels of diversity in recent inflows of migrants (Ram *et al.*, 2013).³

Given the discussion from the previous section, the evidence that is presented in the following tables relates to differences in self-employment rates across the main migrant groups in the UK according to several influences. Firstly, Table 2 reports self-employment rates by gender, age and educational categories. The table reveals that the self-employment rate is higher for men than women for each of the migrant

³ Fairlie and Lofstrom (2015) provide evidence on various aspects of immigrant entrepreneurship using US data.

groups. However, the gender gap does vary quite considerably between the groups. It is highest for people born in Pakistan and Bangladesh, at around 22 percentage points, and is lowest at just 2 percentage points for people born in Other-EU countries (i.e. mainly pre-2004 member states). The gender gap is also relatively low for A8 migrants (6 percentage points) but considerably higher for A2 migrants (18 percentage points). These gaps reflect sectoral differences to some extent, given the concentration of men born in Romania/Bulgaria and Pakistan/Bangladesh in certain industries (Clark and Drinkwater, 2010).

<TABLE 2 AROUND HERE>

Some similarities can also be observed with respect to variations by age across the migrant groups, with the self-employment rate increasing in the three age categories for each of the migrant groups.⁴ The age differences are narrowest for A2 migrants, with less than an 8 point differential between the 16-29 and 45-64 age categories. Whilst for migrants born in Pakistan and Bangladesh, the self-employment rate is strongly increasing in age, reaching almost 30% for the 30-44 year olds compared to only 10% for the youngest age category. In addition to credit constraints, which tend to affect younger people to a greater extent, the age-related differences are also likely to be explained by higher levels of educational achievement amongst the younger members of most migrant groups.

⁴ Although the same self-employment rate is reported for A8 migrants in the 30-44 and 45-64 age categories, due to rounding.

There is a more mixed pattern with regards to the relationship between education and self-employment across the migrant groups, which is consistent with the different effects that human capital can have on self-employment, especially for migrants. For some groups, such as A2 migrants, self-employment decreases with educational attainment and is by far the lowest amongst the highly educated. This is again likely to reflect the activities that this group are mainly involved in in the UK, especially the construction industry. For A8 and Indian migrants, self-employment rates are highest in the medium education category, which is in contrast to the UK born since rates are lowest in this category amongst natives.

In accordance with the discussion from the previous section, Table 3 indicates that self-employment rates tend to be higher for migrants who have been in the UK for longer periods of time. This pattern is fairly clear for migrants from other Non-EU countries, with self-employment rates declining across each of the cohorts of arrival in the UK. The picture is more mixed for the other migrant groups. For example, self-employment rates are higher for migrants from A8 countries who arrived between 2012 and 2015 compared to those who arrived between 2008 and 2011. Whilst for A2 migrants, self-employment rates are far lower for those arriving after 2011. This is consistent with the migration policies that have affected this group because self-employment/entrepreneurship was the main route into the UK labour market during the transitional period that was in place between 2007 and 2013 (Clark, Drinkwater and Robinson, 2016). Self-employment rates are very low for recent migrants in other groups, especially those from Other-EU countries and India, as they are 5% or lower for migrant workers arriving between 2012 and 2015.

<TABLE 3 AROUND HERE>

Table 4 summarises how self-employment rates vary across residents living in different parts of the UK. It shows that self-employment tends to be fairly well dispersed for some of the well-established migrant groups in the UK. Interestingly, the highest self-employment rates for people born in India, Pakistan and Bangladesh are observed in the Devolved Nations (Wales, Scotland and Northern Ireland). This is consistent with evidence and explanations provided by Clark and Drinkwater (2010) on the deprived and competitive nature of the areas where some groups of migrants tend to concentrate, especially in large cities. However, for other groups (especially A2 and A8 migrants), self-employment rates are by far the highest in London. In fact, around a half of A2 and almost a third of A8 migrant workers in London are self-employed. This is likely to be the result of strong demand conditions, especially in sectors such as construction that are associated with self-employment/entrepreneurship in particular parts of the UK.

<TABLE 4 AROUND HERE>

Conclusion

This chapter has highlighted the diversity in the entrepreneurial experiences of migrants. Very high levels of entrepreneurship (in comparison to the native born) are observed for some groups, whereas entrepreneurial activity is far lower for others. No single factor can account for these variations, partly due to the large differences that exist in the characteristics of migrants according to their countries of origin and their cohort of arrival in the destination country. These differences can relate to a

wide range of factors including educational levels, cultural influences and location decisions within the host country, as well as interactions between these. In addition to the observed differences in rates of entrepreneurship, the types of activities that different groups tend to undertake also requires careful consideration because of the influence of sectoral differences on entrepreneurial outcomes. Edwards *et al.* (2016) provide recent evidence for the UK on some of the new sectors in which migrant entrepreneurs are now observed and the emergence of entrepreneurs originating from different parts of the world. However, further analysis of these and related issues is required, especially for countries that have experienced high levels of migration flows.

Moreover, high rates of entrepreneurship should not necessarily be viewed positively if the entrepreneurship is concentrated within low-value activities, which require long hours of work for comparatively low rewards (Blanchflower, 2004). Rath and Swagerman (2016) undertake a detailed investigation of the policy measures and support schemes that have been introduced to encourage ethnic entrepreneurship in European cities. However, despite the range of measures identified, they argue that group-specific interventions are not that common. Moreover, given that migrant entrepreneurship has tended to have been viewed positively by policy makers in both host and sending countries, Naude *et al.* (2015) review of several relevant literatures on migrant entrepreneurship. They conclude that the evidence on issues such as the use of remittances to finance entrepreneurship and of entrepreneurial skills acquired overseas by return migrants, as well as immigrants being more entrepreneurial than natives, is rather mixed.

Therefore, government policy towards encouraging migrant entrepreneurship should pay close attention not just to the amount of entrepreneurs but also to the sectors in which they operate. It follows that schemes could be introduced that aim to stimulate and incentivise entrepreneurship in particular sectors. These could encourage migrants away from the traditional sectors in which they have tended to concentrate, which are typically associated with low and volatile earnings. However, given that migration is a very dynamic process that will always continue to evolve, policy responses shouldn't be too prescriptive with regards to migrant entrepreneurship. This is particularly because migration flows are influenced by a wide variety of factors - some of which are political and sometimes beyond the control of national governments such as in relation to intra-EU migration and movements for humanitarian reasons. Therefore, a key concern for government should relate to how they can better harness the entrepreneurial talent of migrants. Similarly, given the nature of migration flows then this also implies that it is difficult to predict the future direction of research on migrant entrepreneurship. Although lots of questions have been answered and explained, new issues will undoubtedly emerge as the prevalence for people to move to different countries continues to increase.

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Table 1

Background Statistics on Self-Employment in the UK by Migrant Group, 2014-15

	Self-Employment Rate	Percentage of Self-Employed working in						Percentage with other employees	N (Self-Employed)
		Primary and Secondary Industries	Construction	Retail, Transport and Restaurants	Financial, Prof. & Support Services, ICT and Real Estate	Public Admin., Education and Health	Other Services		
UK Born	13.8	10.2	20.9	16.0	27.7	13.2	12.1	17.3	12,259
Born in A8	13.4	5.5	35.4	14.3	22.7	7.7	14.5	4.8	381
Born in A2	32.8	1.8	46.8	15.8	21.6	4.1	9.9	5.9	171
Other-EU Born	13.8	6.3	12.5	9.8	35.7	23.4	12.3	16.4	367
Born in India	12.8	5.8	11.1	33.2	30.0	12.6	7.4	26.3	190
Born in Pak/Bang	28.9	1.6	7.2	66.6	12.8	8.8	3.1	14.0	322
Other Non-EU	15.8	4.3	10.5	29.8	30.1	14.9	10.5	21.3	1,093
All	14.1	9.2	20.2	18.2	27.5	13.2	11.8	17.2	14,783

Source: Labour Force Survey.

Notes: A8 refers to the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia; A2 countries are Bulgaria and Romania; Other EU-Born are migrants from the remaining 17 member states (these are mainly pre-2004 members but also includes Malta, Cyprus and Croatia). Primary and Secondary Industries relates to Standard Industrial Classification (SIC) 2007 Sectors A-F; Retail, Transport and Restaurants relates to Sectors G-I; Financial, Professional & Support Services, ICT and Real Estate relates to Sectors J-N; Public Admin, Education and Health to Sectors O-Q; and Other Services relates to Sectors R-U.

Table 2

Self-Employment Rates for Key Demographic Categories in the UK by Migrant Group, 2014-15

	Gender		Age			Education		
	Men	Women	16-29	30-44	45-64	Low	Medium	High
UK Born	18.1	9.4	6.3	13.1	17.7	14.7	12.8	14.0
Born in A8	16.4	10.6	7.5	15.9	15.9	12.2	13.9	13.2
Born in A2	40.3	22.5	28.1	34.6	35.7	44.8	39.2	21.5
Other-EU Born	14.8	12.8	5.3	12.2	19.7	15.2	13.7	13.1
Born in India	16.1	8.2	5.6	11.5	17.8	14.3	16.8	11.1
Born in Pakistan/Bangladesh	33.8	12.2	10.1	29.4	35.1	32.7	29.5	26.4
Other Non-EU	19.6	11.9	8.8	14.8	19.1	17.2	16.2	15.4
All	18.4	9.7	6.6	13.8	18.0	15.0	13.6	14.3

Source: Labour Force Survey

Notes: Low Education relates to respondents who left full-time education before the age of 17, medium education for those who left full-time education between 17 and 20 and high education for those who left full-time education at the age of 21 or over. These definitions are consistent with those used by Dustmann *et al.* (2013), who discuss the reasons for classifying the education of migrants using the UK LFS in this way. Also see notes to Table 1 for details of the migrant groups.

Table 3

Self-Employment Rates by Period of Arrival in the UK by Migrant Group, 2014-15

	Before 2000	2000-3	2004-7	2008-11	2012-15
Born in A8	28.4	22.5	13.6	9.7	10.9
Born in A2	35.5	42.9	36.0	37.2	22.6
Other-EU Born	16.9	11.4	11.6	11.0	5.3
Born in India	19.1	11.6	10.5	7.3	4.0
Born in Pakistan/Bangladesh	31.8	27.3	32.6	15.7	18.2
Other Non-EU	18.2	14.4	13.9	12.7	9.1
All	19.6	16.1	14.9	12.9	10.2

Source: Labour Force Survey

Note: See notes to Table 1 for details of the migrant groups.

Table 4**Self-Employment Rates by Area of Residence Within the UK by Migrant Group, 2014-15**

	North England	Midlands	South England	London	Devolved Nations
UK Born	12.3	12.5	15.7	16.2	12.7
Born in A8	9.6	6.4	11.9	30.9	6.6
Born in A2	20.0	17.7	20.7	49.8	30.4
Other-EU Born	12.6	13.1	14.2	14.6	12.6
Born in India	12.3	12.1	14.0	12.0	14.9
Born in Pakistan/Bangladesh	31.9	29.0	25.1	26.0	41.8
Other Non-EU	15.5	12.9	15.5	16.9	15.3
All	12.6	12.5	15.6	17.8	12.8

Source: Labour Force Survey

Notes: North England refers to the North West, North East and Yorkshire & the Humber regions. South England refers to the South East, South West and East of England regions. Devolved Nations refers to Northern Ireland, Scotland and Wales. See notes to Table 1 for details of the migrant groups.