

The Mixed Embeddedness of Immigrant Entrepreneurs in Athens: results from the 2014 sample survey

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Abstract

Economic participation, as labour and as typically small business owners, often reflects the nature of mixed embeddedness and especially the relational embeddedness of particular immigrant groups. This is most apparent in relation to social and economic networks, the deployment of human capital, immigrant engagement strategies and transnational activities. Using the concept of mixed embeddedness, this paper examines whether self-employed entrepreneurs are 'rooted' in place and also whether those who are more rooted in place are more likely to enter self-employment. Drawing on data from the Athens 2014 sample survey, using descriptive statistics and logistic regression analysis it shows that self-employed entrepreneurs as compared with employees are more rooted in place. It also shows that immigrant entrepreneurship behaviour is affected mainly by credit constraints, time of residence in the host country, difficulties in understanding the Greek language and discrimination in accessing the labour market.

Keywords: Immigrant entrepreneurship, self-employment, mixed embeddedness, logistic regression.

1. Introduction

Although immigrant entrepreneurship has been widely researched in certain European countries, this cannot be said for the South European countries that were recently transformed to immigrant destination countries. For Greece and its regions, immigrant entrepreneurship is an emerging area of study that needs attention.

There is a growing and diverse literature emphasizing the impacts of immigrants upon major host destinations. Around this literature there is an extended debate on how and why immigrants become entrepreneurs and the visible social and economic impacts they have on the urban setting.

While entrepreneurship can be a promising path supporting immigrants to gain favourable economic position and social recognition, some argue that this could be a vital response to blocked opportunities in a highly segmented, discriminating and marginally profitable labour market.

Many immigrants are forced to entrepreneurship and become self-employed with the expectation to bypass some of the barriers they may come across in looking for a dependent job (e.g. unfavourable working conditions, long working hours, unpaid family labour).

Although several attempts have been made to explain the behavior of immigrant entrepreneur, there is a consensus that it is a multifaceted incident. Recently, the mixed embeddedness model, advocated by Kloosterman and Rath (2001 and 2010), suggests that the immigrant's tendency towards entrepreneurship is explained by multiple factors and different personal routes in the host society, rather than by a single independent factor. Many efforts have been made to test empirically this model, describing it as a combination of different "supply" and "demand" side factors that determine immigrants' self-employment all acting together,

facilitating or blocking entrepreneurship. However, as Ohlsson et. al. (2012) point out, only a very limited number of studies attempts to confirm this approach through quantitative means.

This paper attempts to add to the quantitative understanding of the different factors influencing Muslim immigrant self-employment. Using the concept of mixed embeddedness, we intend to investigate how different factors affect the establishment and development of small businesses by Muslim immigrants in the broader Athens Area.

We investigate why do Muslim immigrants¹ start up a small business in broader Athens Area? What are the problems and opportunities they face? Which factors contribute to their decision or success? Which strategies and policies could be applied to ensure business survival and integration?

The study relies upon data collected with the purpose to provide answers to these questions.² Having as a starting point the individual perspective of the mixed embeddedness model and using logistic regression analysis, we test the hypothesis that many factors contribute to explain the immigrant propensity to be self-employed.

The paper proceeds with a conceptual analysis of Muslim immigrant entrepreneurship and its association with other similar terms. This is followed by a section where we summarize which models have been applied to immigrant entrepreneurship and self employment. After this we describe the data and method used in the analysis. We proceed with the results of the analysis and end with a discussion.

2. Defining immigrant entrepreneurship

When reviewing the literature, one gets the impression that the meaning of the term ‘immigrant entrepreneurship’ is self-evident and does not need additional elaboration. However, it seems that this is not the case as in different countries we find different definitions of entrepreneurship. The European Commission (2008, p. 6), states that: “*There is no clear definition of ethnic minority entrepreneurship and migrant entrepreneurs*”.

There is a large body of literature on what exactly entrepreneurs are and how they differ from other economically active individuals. For Rath (2010) and Rath (2011), entrepreneurship is a composite term, that includes identifying opportunities, innovating and risk-taking in pursuit of profit, while an entrepreneur is simply a person in effective control of a commercial undertaking for more than one client over a significant period of time.

One problem, however, is that many authors use the term ‘immigrant entrepreneurship’, interchangeably with the terms ‘ethnic entrepreneurship’ and ‘minority entrepreneurship’, which complicates the issue. Waldinger et al. (1990, p.33) define ethnic entrepreneurship as “*a set of connections and regular patterns of interaction among people sharing common national background or migration experiences*”. Alternative terms for “ethnic entrepreneurs” include, for example, “minority entrepreneurs” which refers to business owners who do not belong to the majority population, and “immigrant entrepreneurs” who represent recent arrivals that start a business as a means of economic survival, based on their individual connections with former migrants or non-migrants of a common origin (Basu 2006). Thus, the definition of immigrant entrepreneur is the narrowest one as it excludes ethnic entrepreneurs belonging to ethnic minorities who have been living in the country for several centuries (Volery 2007).

¹ We refer to Third Country Nationals (TCNs) i.e. any person who is not a citizen of the European Union.

² Discussed more detailed in the next section.

In general terms (European Commission 2012 p. 6): *“immigrant entrepreneurship” is seen as a broader concept that also includes businesses that target non-ethnic clients and that function in the open economy (as opposed to the closed market defined by the immigrant community). In other words, this form of entrepreneurship is characterised by the immigration experience, and can hence be dubbed ‘immigrant entrepreneurship.’ This term does not have any connotation that necessarily reflects dependence on ethnic resources”.*

In the current economic recession, a rising number of individual workers (both immigrants and natives) have left their paid jobs and become self-employed (work in their own business). This category of self-employed usually without personnel – sometimes dubbed ‘fake self-employed people’ – has shown explosive growth, especially in the small ethnic food shops and restaurants and Chinese clothing stores.

This demonstrates how the boundaries between wage-labour and self-employment have become unclear. In times of economic boom, the self-employed without staff can make a lot of money, but in a recession, as is the situation now in Greece, they suffer more than the average worker.

Reflecting the definitional debate the following summary table is proposed by Nestorowicz (2012).

Table 1. Summary of selected definitional considerations (Source: Nestorowicz 2012)

	Self employment	Entrepreneurship	Business
Immigrant	Most limited, yet not a clear term. Allows straightforward identification of both immigrants and self - employed, thus often used in quantitative empirical research	Requires specification of entrepreneurship, yet may refer to an attitude rather than just a labour market state	Used in analysis of intra-and inter – company relations and organizational structures, rather than for describing individual behavior and decision -making processes of spatially mobile people
Ethnic	Enables extending the analysis of self- employment to people who do not necessarily have any immigration history, but who nevertheless constitute a distinct sub-population, implicitly suggests a group context.	Can be used in order to shift the weight of explanatory value to differences in behavioural patterns between groups which feature specific cultural characteristics.	Allows for the analysis of business organization and industrial and market structures in relation to how they are run and exploited by diverse sub-populations
Minority	Broadens (thus also adds vagueness) the subject of inquiry to people who do not represent the majority population within the society (e.g. sub-populations, minority ethnic groups) or labour force (e.g. women)	Approaches the field from the perspective of differences in proactivity and performance presented by sub-populations, which for given reasons have limited access to certain occupations or the labour market in general.	Focuses on the eventual placement and organization of enterprises run by people representing groups excluded from the mainstream economy and/ or labour market.

3. The determinants of immigrant entrepreneurship

A number of explanatory hypotheses have been put forward to identify the determinants of immigrant entrepreneurship and address the previous questions. Lo, Teixeira, and Truelove (2007) have grouped them into four broad categories:

- Cultural thesis,
- opportunity structure (blocked mobility thesis, institutional approach),
- Interactive model, and
- mixed embeddedness model

The first explanatory approach³ suggests that specific cultural skills and features make certain immigrant groups suitable for entrepreneurship at least for specific occupations or sectors (*cultural approach*). Light and Bonacich (1988) claim that *class*⁴ and *ethnic*⁵ *resources*⁶ explain entrepreneurship. In some cases, immigrant entrepreneurship may stem from the demands for goods and services from the immigrant community itself, especially when it is spatially concentrated (ethnic enclave). In addition, cultural behaviors may facilitate the entrepreneurial path of immigrants in specific and specialized business lines (*ethnic niche*), where they benefit from higher incomes than they would attain in the open economy (Portes and Stepick 1993). According to Piguet (2010, p. 157): “*marked specialisations emerge in certain sectors where specificities linked to immigration can be particularly valuable (such as the food business, textile workshops, travel agencies, beauty parlours, restaurants).*”

Rath (2006), states that these supply-side perspectives revolve around immigrants as the *dramatis personae* of the small business economy, focus on their resources/capital: Human capital (education, experience etc), cultural capital (cultural endowment), social capital (embeddedness in social networks). Access to these forms of capital shapes business operations and, consequently, business success, or lack of it.

The second structural explanation⁷ focuses on the contextual or external forces in the host society, on the constraints and the opportunities, i.e. the “demand- side” of entrepreneurship. It acknowledges that the structural lack of economic alternatives of the host society does provide some opportunities for immigrants to engage in business. However, most studies emphasise the disadvantages in the labour market⁸ and discrimination⁹ in general that blocks other alternatives (Rath 2000).

Owning and operating a business provides also an opportunity for higher earnings and economic mobility in a ‘protected’ market, that is, a market relatively shielded from competition with native-born workers of comparable skills (Light 1985; Bonacich and Modell 1980). Choosing small business ownership, immigrants are likely to earn more by capitalizing family resources, such as unpaid labor, access to co-ethnic labour at low prices; start-up capital (loans from family members or other co ethnics); ethnic credit associations; trading experience (Rafiq 1992).

However as Piget (2010) states, opening a small business in an accessible and economically fragile sector can in this context be a rare escape route, even if it offers most entrepreneurs nothing more than long hours of work at subsistence pay. Chrysostome and Arcand (2009, p. 4) refer to entrepreneurial activities as a desperate situation- the ultimate opportunity of survival in the host country.¹⁰ Especially in the times of economic recession and high unemployment, this issue becomes of major importance as these disadvantages affect seriously

³Sometimes called the “specificity hypothesis”, “ethnic resource model” or “ethnic business”.

⁴ Class resources, can be material (private property in the means of production or distribution, personal wealth, investments in human capital and entrepreneurial skills) and cultural (such as attitudes and skills transmitted from one generation to another etc).

⁵ Such as trust and group solidarity, self-reliance, flexibility, willingness to work long hours, positive work ethic, access to an ethnic network that provides start-up capital, credit and workers (and cheap family or co-ethnic labour), a first customer base or supplier chain, etc.

⁶ Resources include all intangible attributes that improve the productivity of employees.

⁷ Referred also as the *disadvantage or blockage* hypothesis Desiderio and Salt (2010) and Piguet (2010).

⁸ E.g. lack of financial and human capital, such as language skills, education (recognition of diplomas) and work experiences.

⁹ Employer discrimination may be visible either by blocking immigrant’s access to the labour market in general, or by restricting their opportunities to low-paid salaried jobs, which would result in choosing self-employment as an escape strategy.

¹⁰ Valenzuela (2001) distinguish between two types of survivalist entrepreneurs: the value entrepreneurs and the disadvantaged entrepreneurs.

one's position in the labor market. Further, Basu and Altinay (2002) state that the lack of labor market and institutional support hinder the success of immigrant entrepreneurs.

In this perspective, perhaps the most prominent advantage of immigrant entrepreneurship is its contribution to reducing poverty and social exclusion and raising living standards in groups that can often be among the most disadvantaged in society (Piguet 2010). Immigrant entrepreneurship is a form of inclusion, as it increases interdependence and participation in a more or less segmented labor market.

In the third place, the *interactive* approach, developed initially by Waldinger et al. (1990), argues that demand and supply factors coexist and influence the entrepreneurial propensity of immigrant groups. Thus, mixed embeddedness attributes could be seen as an attempt to combine the culturalist and structuralist approaches. This model is aimed to assist in the understanding of how these two dimensions guide the strategies of an immigrant entrepreneur. Waldinger et al. (1990), refer to three interactive factors:

- i) Opportunity structures that describe the setting creating business opportunities. In this perspective, important factors are the existence of niches that enable a protected market position and accessibility to ownership positions.
- ii) Immigrant group's own characteristics that are divided into a) preconditions to start own business (such as limited or blocked mobility, considering the fact that immigrant entrepreneur due to e.g. language barrier or discrimination is not able to engage freely in a paid career) and b) resources to be mobilized by the immigrant entrepreneurs. That is whether there exist close ties to co-nationals and social networks which immigrant entrepreneurs can use e.g. for finding initial funding for the enterprise etc.
- iii) Strategies that emerge from the interaction of opportunities and group characteristics, as immigrant groups adapt to their environments (the interaction between the previous two components). Nestorowicz (2013), refer to certain strategies aimed at an accoutrement of common problems such as: 1) obtaining information, 2) generating start-up or development capital, 3) acquiring necessary entrepreneurial skills, 4) labour recruitment, 5) establishing and developing relationships with customers and suppliers, 6) dealing with competition and 7) responding to political attacks. The possibilities and eventual ways of addressing these issues emerge from the constraints and enabling mechanisms embedded in the market structures and ownership possibilities as well as from the specificity of predisposing factors and the potential of resource mobilization.

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For analytical purposes, Waldinger et al. (1990) also distinguish between : a) pre-migration characteristics (e.g level of human capital), b) the circumstances of migration and the ways they evolve (e.g. into temporary or permanent migration) and c) post-migration characteristics (especially the position of the ethnic group in the host economy).

The authors outlined also four stages of immigrant integration:

- (1) substituted labor – when immigrants engage in low prestige jobs that natives/locals are unwilling to do,
- (2) ethnic niche – when immigrants abandon their low wage jobs and engage in self-employment that serves other members of the ethnic groups the immigrants represent,

(3) middleman minority – when immigrant entrepreneurs start serving parts of the local population hence becoming the middle man between different ethnic groups and
(4) economic assimilations when immigrants become economically integrated either by serving all parts of the local population or integrating in the local labor market.

The interactive model defined the first inclusive perspective of the entrepreneurial strategies of immigrants which opened the way for the theoretical discussion and empirical research (Rath 2007). However, it ignores the importance of the banking system as well as the complexity of the regulatory and policy framework (Light and Gold 2000).

The mixed embeddedness model is a further development of the Waldinger et al. (1990) approach. It takes into account three factors (Kloosterman et. al. 1999; Kloosterman and Rath 2003):¹¹

- i) the characteristics (resources) of individual immigrant entrepreneurs (the supply);
- ii) the shape of the local opportunity structure (the demand);
- iii) the institutional framework mediating between the two (the mediator).

These factors combined may address and explain patterns of variation in immigrant entrepreneurship– between groups, sectors, between place and between countries, and between historical periods.

Kloosterman and Rath (2003) recognize that immigrant groups have different characteristics and thus are initially dependent on different segments of the opportunity structure than the native population, while by their mere presence influence change opportunity structures.

Namely opportunity structures describes the setting creating business opportunities for prospective and established entrepreneurs and are shaped by factors both on the supply side, such as entrepreneurs' individual and cultural characteristics, as well as on the demand side, e.g. the presence of an accessible customer base. At the same time, politico-institutional factors, enable or hinder business establishment and development. It is supposed that the political regime affects opportunity structures of immigrant entrepreneurs supporting the main-stream market match between the supply side (products/services offerings) and the demand side (products/services demanded by customers). High level of regulation in social welfare economies would impact negatively on the quality and on the enhancement of self-employment activities. In this perspective, opportunity structures for immigrant entrepreneurs are mainly identified in markets where entry is relatively easy with high risks of failure. The potential for immigrants business development is higher when there are vacant business positions in which immigrants can succeed (vacancy-chain' markets) (Kloosterman and Rath 2003).

In line with the theoretical hypotheses described above, our aim is to estimate the influence of several factors on the likelihood for immigrant entrepreneurship/ self-employment.

4. Data and some descriptive statistics

For several reasons it was not possible to carry out a typical random sample selection.¹² Therefore, the sampling strategy began with establishing contacts randomly in specific localities in the broader Athens area, with key informers/ mediators. This was followed

¹¹ Such as type of markets, type of laws (fiscal, labour etc) and institutions of governance.

¹² For example no reliable sampling frame was available from an official authority. It is also difficult to convince immigrant entrepreneurs to give an interview without a mediator.

through with a snowball sample to recommend suitable population units, in each of these localities.

The survey aim was to collect individual-level information on the labor-market status (especially entrepreneurship)¹³ of immigrants in the broader Athens Area. The field work was conducted from November 2013 to January 2014, by means of face-to-face interviews with the entrepreneurs. A detailed pre-structured questionnaire was used; pilot tests were also employed due to perceived comprehension difficulties confronted by the specific targeted group. Detailed interviewers' training also took place. The sample consisted by 154 Muslim immigrants no older than 61 years of age. Despite significant efforts, women represent only a marginal percentage in the sample (3.2%). Probably, women's participation in business is strongly influenced by religion and family issues. Muslims are traditionally more conservative than other religious groups, in their attitude towards women working outside the home and resulting in the lower contribution of Muslim women to the family budget (see for example, Basu and Altinay 2002). Thus, the fact that we find fewer women/ wives to work in Muslim businesses was to great extent expected.

Table 2 provides the breakdown by national origin of the research population. The larger study involved interviews with 154 Muslim immigrants across the five groups. Some of these interviews also included individuals who were self-employed. However, the material discussed here derives largely from the entrepreneur interviews.

The same table presents some descriptive statistics for immigrants by nationality and employment status (self –employed and not self-employed). It is shown that for almost all cases that self-employed individuals tend to be older than those who are not self-employed. In fact, self- employed immigrants from Egypt have the highest age (42.3 years), followed by immigrants from Bangladesh (38.43 years) and those from Pakistan (38.30 years). The Afghans have the lowest age (30.44 years).

Table 2. Descriptive statistics of immigrant population, by nationality

Nationality	Percentage		Mean age		Mean duration of stay in Greece		Mean years of education	
	Self-employed	Not self-employed	Self-employed	Not self-employed	Self-employed	Not self-employed	Self-employed	Not self-employed
Egypt	31.3	68.8	45.40	41.20	22.60	21.00	13.75	14.60
Afghanistan	15.8	84.2	33.17	28.66	11.83	8.16	12.67	9.32
Bangladesh	21.1	78.9	41.75	32.93	15.50	10.53	13.75	10.71
Pakistan	24.4	75.6	40.00	32.00	21.40	7.43	12.33	10.60
Other	17.5	82.5	45.14	31.79	22.86	13.75	14.14	13.03
Total	20.8	79.2	40.90	31.93	19.38	10.97	13.20	11.27

Table 2 also demonstrates that most entrepreneurs have lived in Greece for more than 10 years. Self-employed immigrants from Egypt and Pakistan have the highest mean duration of stay in Greece (more than 20 years) while the Afghans have the lowest duration (10.56 years). As regards the mean years spend in education, individuals from Egypt (both self- employed and not self-employed) appear to have the highest value (more than 14 years), followed by individuals from Afghanistan and Pakistan whereas the differences among the two categories are less pronounced.

¹³ Including not only business owners but also self-employed and co-entrepreneurs.

As far as business activity is concerned, almost one third of the Muslim immigrants that are currently employed stated they have their own business or their own job (32 persons), while 49 (32%) are either looking for a job or are inactive. The rest are wage or salary workers (Figures 1).

Turning to self-employment by year of establishment, Figure 2 shows that almost 60% of the businesses have been established within the last 5 years, while more than 72% have been established during the last 10 years. For the vast majority of the sampled entrepreneurs, this was their first business, and only a few cases stated that their business is in collaboration with others. Given the crisis of the country, this could be a rough indication of necessity' entrepreneurs, driven by push factors into entrepreneurship because other options for work are absent.

Figure 1. Muslim immigrant employment status

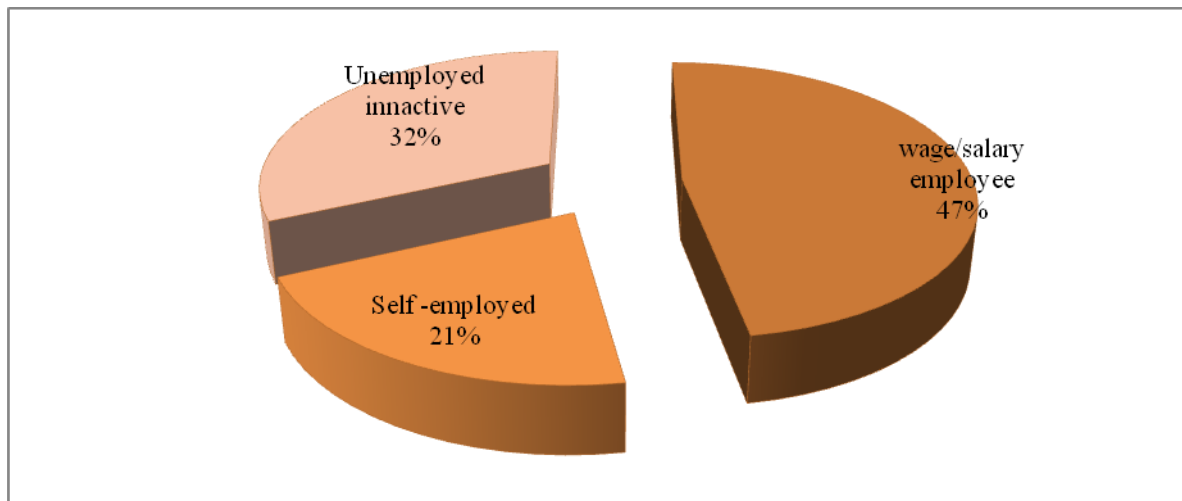
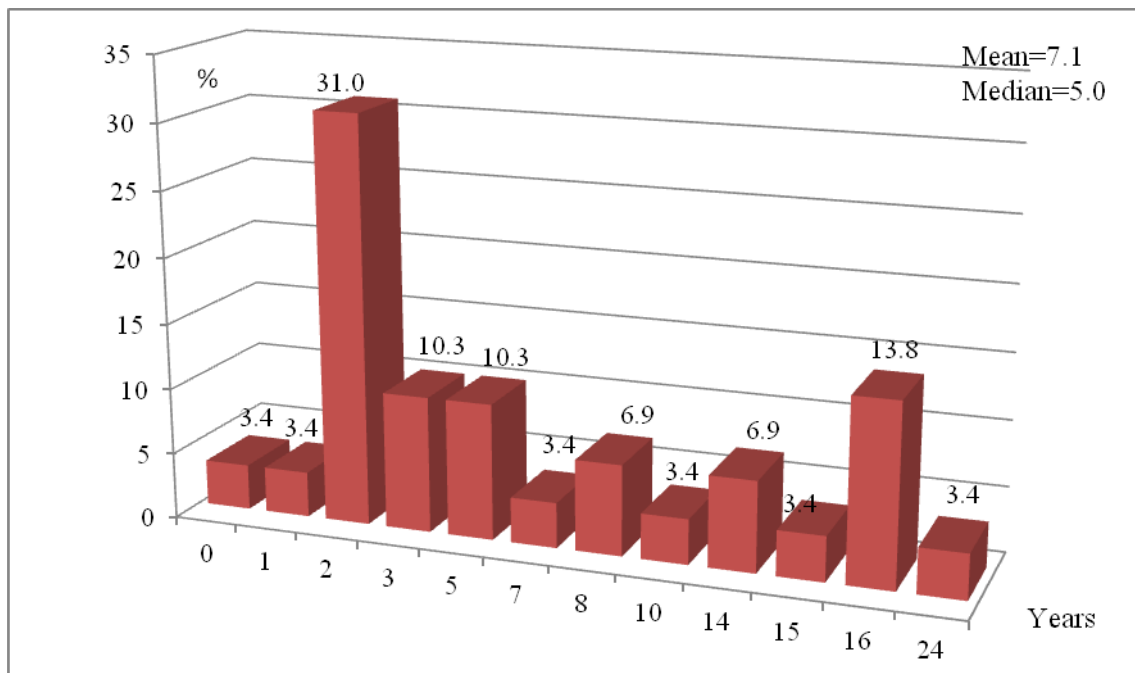


Figure 2. Muslim entrepreneurs business establishment (years)



A structural constraint is the access to the kind of financing necessary to start a business. Usually immigrants began business using personal savings. While a small number of entrepreneurs interviewed for this study either supplemented their personal savings with other financial sources (such as money from friends, kin) or relied on these other sources entirely, using only personal savings to launch the business was the most common way that the entrepreneurs in this study began. Immigrant entrepreneurs who are highly motivated to become self-employed often draw on this individual resource. More specifically, the most common source of startup capital for immigrant-owned businesses in the sample is personal or family savings. The family usually assists by providing debt-free capital as well as debt financing. Through family savings and handouts from family members, and sometimes family friends, immigrants can easily start-up small businesses in their host country.

The following are the major sources of the start-up capital used as reported by Muslim immigrant entrepreneurs (Figure 3):

- An overwhelming majority (75%) reported making use of personal savings
- A significant percentage (37%) stated that family members and relatives assisted, while bank loans scored the lowest (7%).

There are substantial differences in average number of persons living in the household across different nationalities, ranging from 2.89 for immigrants from Bangladesh to 1.54 for immigrants from Afghanistan. In a majority of the immigrants, the mean of children is slightly below the average size of persons living in the household, but for those from Pakistan the number of children is slightly above the average (Figure 4).

Figure 3. Immigrants financial sources to start a business: from personal savings, family members-relatives, and bank loans

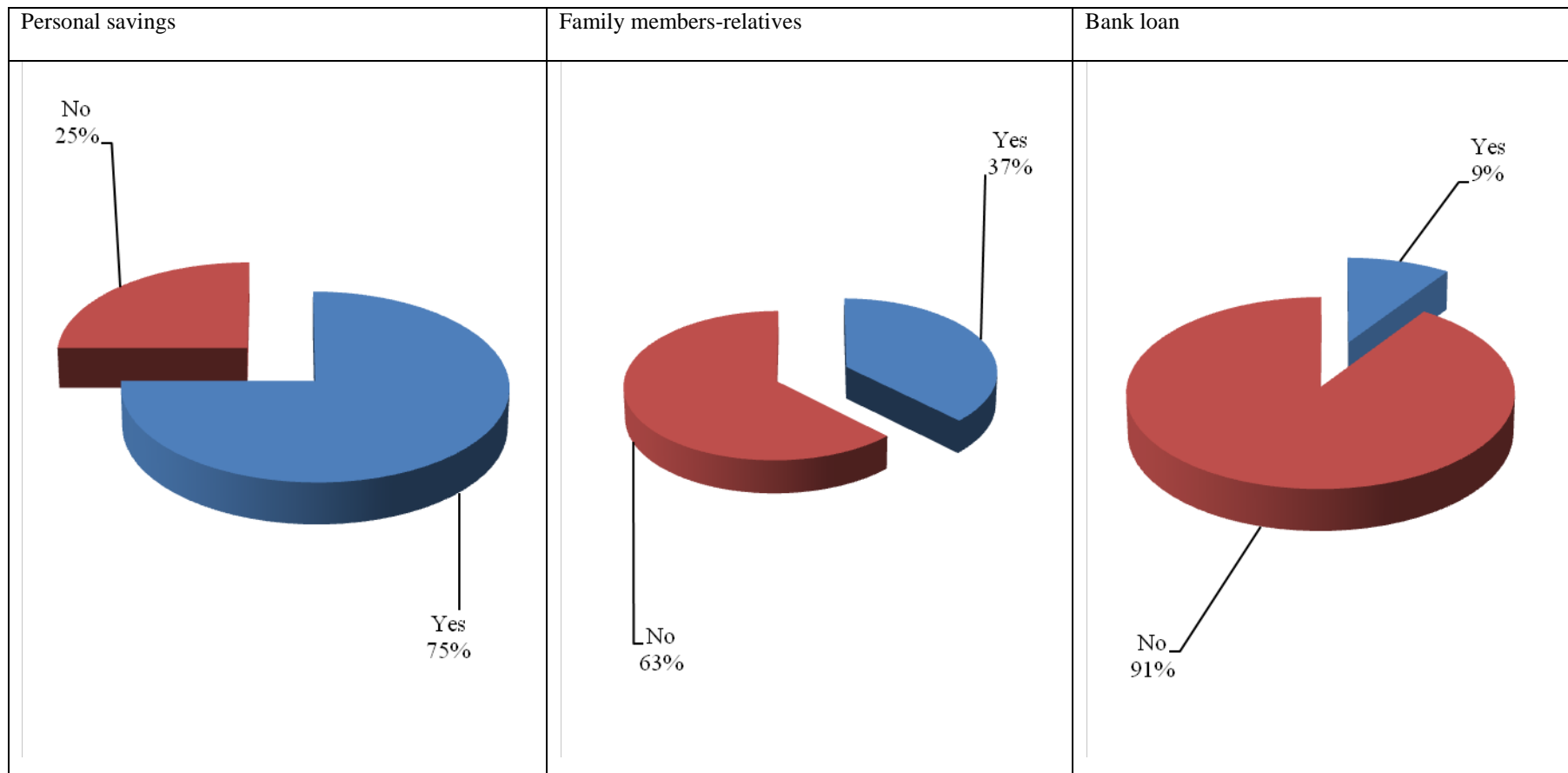
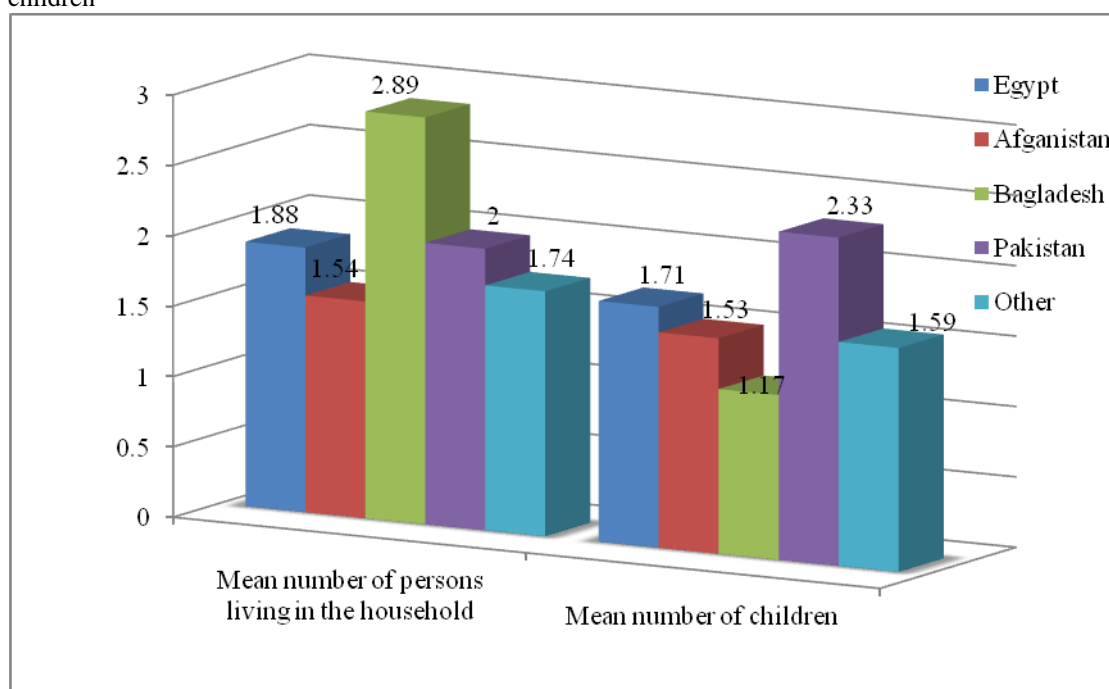


Figure 4. Muslim immigrants, mean number of persons living in the household, mean number of children



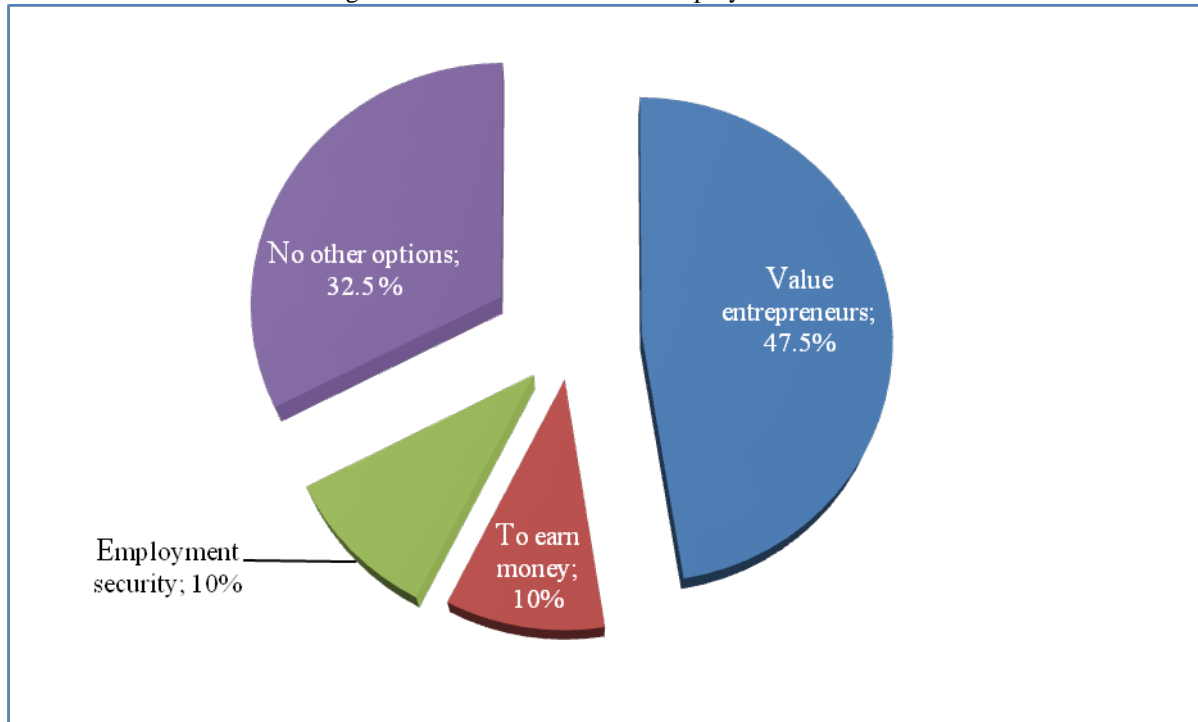
In the context of the current economic crisis and the high levels of unemployment in Greece, it is important to understand if Muslim immigrant entrepreneurship is a potential response, or the only option of economic inclusion, to an otherwise deteriorating secondary labor market. The existing entrepreneurship literature in general has cited two main arguments on how overall unemployment can affect entrepreneurship behavior. The *“recession-push”* argument states that if there is a high level of unemployment, individuals might be “forced” to become self-employed given the lack of other ‘appropriate’ alternatives. The *“prosperity-pull”* argument suggests that if the general economic situation is bad, immigrants will be less likely to start their own business, given the lower demand for their services (OECD 2010, p.52). Although both effects might be in effect simultaneously, there is, however, no agreement in the empirical literature on which of the two effects dominates.

Actually Muslim immigrant entrepreneurs in greater Athens area are survivalists or disadvantaged entrepreneurs that start a business, usually on a small scale and possibly do so just to make enough to satisfy their family’s needs.

Analyzing the answers given as the first reason to the open question: “Name two reasons why you have chosen to be self-employed –entrepreneur”, we find a significant percentage of self-employed Muslim immigrants, supporting the so called *survivalist approach*. They declared that they choose self-employment because they value independence or autonomy, being one’s own boss. Weak employment prospects (high unemployment) in the local area push also a number of immigrants towards self-employment, while others (10%) give as the main reason for self-employment ‘to earn money’ (Figure 5).

Examining the data in more detail we notice that immigrant entrepreneurs own a wide range of stores, in specific sectors such as wholesale shops, restaurants, mini market, tourist office, video clubs, mobile telephones, coffee shops etc. The criteria they use are based on low cost with activities that are addressed mainly in their community, and not requiring special skills.

Figure 5. Main reasons for self-employment



The profile of entrepreneurs in greater Athens area, as described shortly in previous sections, identified differences between the group of the self –employed and the group of wage and salaried labour, unemployed and inactive immigrants in various factors. Controlling simultaneously for different sets of individual characteristics should help identify specificities with regard to immigrant entrepreneurship. Furthermore, in order to know which policies are best suited to encourage and sustain immigrant entrepreneurship, it is necessary to know how each individual factor is related to the entrepreneurship decision. The factors related to the decision to become an entrepreneur-self-employed are analysed using logistic regression analysis.

5. Modeling self-employment: logistic regression analysis

5.1. Model specification

An explanatory model was specified and tested using binary logistic regression analysis. The dependent dichotomous variable is coded 1 for self –employed and 0 for wage and salaried, unemployed or inactive.¹⁴

The specific independent factors/variables investigated herein are drawn from the model suggested by Piguet (2010) and other empirical specifications of the mixed embeddedness model (e.g. Ohlsson et. al. 2012; Ram et al. 2008).

A multi- tiered approach is used suggesting that cultural factors, personal resources, degree of integration and several other factors act together enhancing or inhibiting immigrant entrepreneurship.

¹⁴ See Mestres (2010, p. 44) for a similar method. We use this dichotomy as those who are not actually entrepreneurs, when asked on whether they plan on establishing one business (*potential entrepreneurs*), in many cases at least half of them answered favourably.

Basically, mixed embeddedness is a model for explaining different contributing elements. It incorporates all the aspects of the immigrant's insertion in the host society to explain their propensity towards self-employment (Ohlsson et.al. 2010).

First of all, we test the significance of individual and household characteristics: individual age, gender, marital status, household composition (the number of children in the household or the number of persons living in the house).

For immigrant entrepreneurs, a lack of human capital (personal resources) is often seen as a push factor into entrepreneurship and fits into the 'disadvantage theory'. In this perspective the years of schooling, past job experience and several other variables such as individual experience in educational programmes provided outside the school,¹⁵ and self-perceived health status (subjective evaluation),¹⁶ were tested.

Concerning the integration or exclusion (the opposite) factor, Commins (1993) presents four dimensions, i.e. exclusion from: the labour market; participation in civil society (certain categories of the population – such as women, ethnic and religious minorities, or migrants – are deprived of part or all of their political and human rights); the services of the welfare state and informal networks (family, relatives, friends and community).

In this perspective we use the following indices/variables:

- I. Ability to read or write Greek (subjective evaluation) and length of stay in Greece. Volery (2007) argues that the lack of linguistic competence can lead immigrants to self-employment, while Nilsson (2012) points out that the lack of language competence may negatively affect the course of business of the immigrant. Further Bonacich (1973) upholds that self-employment is a pull option for sojourners, whereas Aldrich and Waldinger (1990) argue that self-employment is more precarious than a wage/salary job and, hence, less attractive for sojourners.
- II. A proposed set of immigrant variables denoting political participation or rights awareness, include the following: right to vote in communal election, participation in communal election¹⁷ participation in demonstrations and participation in religious activities.¹⁸
- III. A set of specific variables as further determinants of entrepreneurship are: discriminated by Tax-office, police, public service, banks-the existence of credit constraints (financial exclusion) to start a business. Knowledge about discrimination law, knowledge about organization support for discrimination victims¹⁹ and self perceived work –based discrimination, are based on the two following questions; i) Have you personally not been employed because you are an immigrant? Yes =1; No, does not concern me, don't know =0. ii) Have you personally not been employed because you look like an immigrant? Yes =1; No, does not concern me, don't know=0.
- IV. A material deprivation indicator, defined as circumstances denying immigrants' access to at least three out of the following nine material goods: i) have a car, ii) have a washing machine, iii) have a tv, iv) have a personal computer, v) have a telephone line connection, vi) have a cooker machine, vii) have electricity connection, viii) have heating and viiii) have bedroom (other than sitting room).
- V. A variable of the perceived self-reported amount to cover the basic needs of the household (PBASIC), given by the interviewees' response to the question: "what is

¹⁵ We use a dummy variable for those who declared participation is such a program.

¹⁶ Assuming ad-hoc that bad health prohibits labour market activities. This variable is re-coded to '0=bad or very bad', and '1=average' 'good or very good' (the original scale was: 'bad', 'very bad', 'average', 'good' and 'very good').

¹⁷ Immigrants in Greece have the right to vote in national elections if they have Greek nationality. Immigrants without a Greek passport have been granted the right to vote in communal elections.

¹⁸ All recoded to 'Yes=1', 'No=0'.

¹⁹ 'Yes=1', 'No=0'.

the necessary level of income to cover your household's basic needs?' This variable which was continuous was re-coded into two classes: 1= up to €750, and 0= €750 or more. In an ad-hoc basis 1 is the dummy variable set up to represent the "low" level of self-reported amount, 0 is the dummy representing the "medium" or 'high' level reported amount.

Housing tenure: 1= owns,²⁰ 0= rents.²¹ Mestres (2010, p. 44), applying a similar methodology used his variable as proxy for a wealth measure (an indicator variable of property ownership of the residence the individual lives in).

Finally, several variables related to self-employment were tested such as job satisfaction²² possible participation of family members at the immigrant enterprise, a start-up subsidy (from bank, family members, co-national etc.) for the beginning of the enterprise, the geographic scope/location of small business establishments etc.

5.2. Logistic Regression Analysis

The results from a logistic model of the likelihood of being self-employed are shown in tables 3 to 4: Column (2) shows the parameter estimates (B); columns (3) to (5) reports the standard errors, the Wald statistic and the significant level of the estimates; The odds ratio Exp (B) is presented at the last column.

In table 3, we notice first the positive and high significance of the "PBASIC(1)" variable: Exp(B) is equal to 6.489, and it is statistically significant ($p = 0.020$), Therefore, Muslim immigrants who have declared low monthly income to cover basic needs of the household are 6.489 times more likely than those in the reference category (medium and high level self-declared income) to be entrepreneurs/ self-employed and do not fall in the other category of the original variable: salaried employed, unemployed or inactive (all else being equal). According to the same table, the level of job satisfaction positively influences the likelihood of being self-employed ($p=0.001$); those who self-declared that they are satisfied with their jobs are 5.578 times more likely to be self-employed as salaried employed, unemployed or inactive.

The effect of the variable 'right to vote to communal election' is negative: Exp(B) is equal to 0.264, and it is statistically significant ($p = 0.024$); therefore, Muslim immigrants who had the right to participate at the last communal elections are 0.264 times less likely than immigrants with did not have this option to be self-employed. This negative finding is possible resulting from the fact that only 27% of those who had the right to vote actually did so.

The age variable also has a positive and significant effect on the likelihood of being self-employed: a one-year increase in age changes the odds of self-employed Muslim immigrants by a factor equal to 1.074.

²⁰ This category includes also those owning with a mortgage.

²¹ For simplicity reasons we refer to this category as 'rents', as only one immigrant declared that the house is subsidised by the municipality and another declared no legal tenancy/ land property.

²² This variable (JOBSAT) take the value '1' if the answers are 'Much, very much and '0', for 'Not at all, a little or medium declared job satisfaction.

Table 3. Logistic Regression of Membership of self-employed Muslim immigrants: Model 1

Self-employed	B	S.E. ²³	Wald ²⁴	Sig ²⁵	Exp(B)
PBASIC(1)	1.870	0.805	5.394	0.020	6.489
Job satisfaction: JOBSAT (1)	1.719	0.541	10.111	0.001	5.578
Participation at communal elections (1)	-1.333	0.593	5.059	0.024	0.264
Age	0.072	0.027	6.893	0.009	1.074
Constant	-5.287	1.490	12.587	0.000	0.005
-2LL =103.098 Cox & Snell R Square =0.283 Nagelkerke R Square =0.445					

In table 3, we see also that the -2 Log Likelihood statistic²⁶ is 103.098. This statistic measures how poorly the model predicts the probability of being employed.²⁷ The Cox & Snell statistic has the value 0.283 while the Nagelkerke pseudo R square statistic equals 0.445.²⁸

In table 4 the 'Ability to read Greek' is omitted, as it became not significant when the continuous variable 'duration of stay in Greece' were inserted in the model, instead of the age. We find that a one-year increase in duration of stay in Greece changes the odds of self-employed Muslim immigrants by a factor equal to 1.088.

Table 4. Logistic Regression of Membership of self-employed Muslim immigrants: Model 2

Self-employed	B	S.E.	Wald	Sig	Exp(B)
PBASIC (1)	1.990	.785	6.429	0.011	7.316
JOBSAT (1)	1.331	.489	7.424	0.006	3.787
Duration of stay in Greece (DSTAY)	.085	.025	11.673	0.001	1.088
Constant	-4.788	.879	29.674	0.000	.008
-2LL = 114.502 Cox & Snell R Square =0.240 Nagelkerke R Square =0.373					

It seems that only a few variables are related to Muslim immigrant entrepreneurship status: Job satisfaction, perceived self-reported income to cover the basic needs of the household, duration of stay in the country and age. These variables have been tested in various combinations in order for the model to be significant and have a good predictability.

Self-employment may appear as an appropriate option for any immigrants based heavily on the higher level of job satisfaction. Immigrant workers are generally found to experience significant disadvantage in their labor market outcomes. A lower labor participation of immigrants, consistently higher unemployment rates for both sexes and a high concentration in disadvantaged employment sectors and low-pay jobs are also found in previous studies in

²³ A standard error larger than 2.0 indicates numerical problems, such as multicollinearity among the independent variables,

²⁴ If the significance level of the Wald statistic is small (normally less than 0.05) then the parameter is considered useful to the model.

²⁵ Sig indicates the significance level of the Wald statistic. A value of $p < 0.05$ tells us that the predictor coefficients are significantly different from zero – thus will improve predictive power.

²⁶ Referred also as -2LL or negative two log-likelihood.

²⁷ -2LL is the deviance statistic and it can be thought of as a chi-square value. The smaller the deviance is, the better the model fits the data. If a model fits perfectly, the likelihood=1 and -2LL=0.

²⁸ These statistics summarize the proportion of variance in the dependent variable associated with the predictor (independent) variables. The larger R^2 values indicates that more of the variation is explained by the model, to a maximum of 1. The model with the largest R^2 statistic is "best" according to this measure.

Greece (Hatziprokopiou and Frangopoulos 2013; Eurostat 2011; Labrianidis, Hatziprokopiou 2010; Noussia and Lyons 2009).

6. Summary and Conclusions

This paper has focused on selected indicators of labor market disadvantage among Muslim immigrants, focusing in particular on entrepreneurship/ self-employment issues. In Greece, due to the crisis we are witnessing, a new model of entrepreneurship emerges where the actors are individuals who belong to groups at risk of poverty, and who are in business or have become self-employed as a result of either unemployment, precarious conditions, hetero-employment, marginalisation or barriers to enter the primary labor market. The main motivation for these new entrepreneurs/self-employed is about earning their living, instead of attempting to make a fortune. They tend to develop small businesses in economic and labor niches that have been abandoned and are not of interest for other, more prosperous businessmen.

Actually entrepreneurship and self-employment could be a successful strategy to overcome barriers to enter the labor market, which is supposed to be structured on the basis of an *insider/outsider or dual* dichotomy. Both less and more qualified migrants with lesser or higher professional skills are highly motivated to start a business, but the lack of financial and social capital invariably relegates them to the bottom of the occupational ladder.

Greece has also a large informal or underground economy, as well as high rates of unemployment, temporary work and job insecurity. In addition, sectors providing labor-insertion opportunities are limited to specific fields (e.g. agriculture, construction work, wholesale shops, restaurants and home help).

Using our data, we find that the decision to entrepreneurship depends on multiple factors and is not supported by one single hypothesis. We find that entrepreneurship may heavily depend on the opportunities presented by the host country with respect to labor market structures and regulation and could be a necessity –the only possible entrance to enter the labor market. Though they are prohibited by discrimination issues and possible credit constraints to start a business, they choose self-employment as they expect to achieve higher levels of job-satisfaction- a significant factor identified by the logistic regression.

Although successful, immigrant entrepreneurs can create jobs for others that could benefit relatives, friends and associates, this was not a significant factor for our case. It can be partially explained by the fact that in greater Athens, immigrants business usually are comprised of small stores confined to the secondary informal segment of markets where the network of immigrants provides an opportunity of doing business (even in an informal way) and exchanging information with peers. Normally, enterprises start with a focus on clients from their own cultural group, with traditional products, services and communication channels.

Variables such as good command of the Greek language and job satisfaction seem to be significant and important in the decision to commence a business. Other significant variables were age and duration of stay in the country. The subjective evaluation of the level of monthly income to cover the basic needs of the household to be self-employed also significantly effects the immigrant's employment.

All other variables are either not significant or have a negative impact on the dependent variable. For example, marital status does not seem to affect significantly the migrant propensity for self-employment. In addition, the number of children or the number of persons living in the household is not correlated with the probability of being an entrepreneur. Homeownership, a proxy for a wealth measure (an indicator variable of property ownership of the residence the individual lives in) is generally not important determinant for immigrant employment. Our findings also suggest that country of birth had little influence on the individual's propensity to be self employed

In conclusion, our analysis confirms our hypothesis that entrepreneurship / self-employment could be an indirect way for Muslim immigrants to avoid increasing difficulties in entering

the labor market (e.g. unemployment, discrimination, language difficulties, problems with the recognition of qualifications). This finding is in line with other similar results for immigrant entrepreneurs in Greece.

The study reveals that the largest part of immigrant entrepreneurship is mainly explained by factors, possibly at the individual or household level. In other words, it is the individual and not the immigrant/ethnic background that matters.

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