MOVING IN OR MOVING OUT: THE IMPACT OF ENTREPRENEURSHIP ON IMMIGRANTS’ ECONOMIC INTEGRATION (SUMMARY)

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SUMMARY

MOVING IN OR MOVING OUT: THE IMPACT OF ENTREPRENEURSHIP ON IMMIGRANTS’ ECONOMIC INTEGRATION

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Principal Topic

Immigrants often have limited opportunities in the labor market, resulting in low occupational mobility due to low levels of human, financial, and social capital (Bates, 2011, Redstone Akresh, 2006) and potentially also discrimination (Carlsson and Rooth, 2007). The constrained labor market opportunities immigrants face are often highlighted as a major reason for the high rates of immigrant entrepreneurship in developed nations (Li, 2001), and as such entrepreneurship has been portrayed as a form of immigrants’ economic integration (Sanders and Nee, 1996). However, hitherto we do not know what factors enable immigrants to stay in entrepreneurship and what factors may encourage immigrant entrepreneurs to exit from entrepreneurship. I theorize that the family, constituting bonding social capital, acts as a provider of important resources and therefore influences immigrants’ likelihood of exiting from entrepreneurship.

Method

To investigate the exit patterns of immigrants (i.e., the likelihood of immigrants to exit from entrepreneurship), I rely on detailed longitudinal data. In order to investigate the various factors for exit from entrepreneurship, I identified all immigrant entrepreneurs that entered self-employment in 2001 and followed them until 2006. The main focus of this study is to investigate the factors on the individual and the family level that either foster or constrain immigrant entrepreneurs to remain in entrepreneurship. I use competing hazard models to investigate the different exit options immigrant entrepreneurs have.

Results and Implications

This study sheds light on our understanding how entrepreneurship among immigrants shapes their opportunities in a society and how different outcomes can be attributed to the individual and the family as such. The results indicate that family resources are particularly important for immigrants’ likelihood of staying in entrepreneurship. Although often neglected in immigrant entrepreneurship studies, I also find that bridging social capital resources reduce the likelihood that entrepreneurs will leave entrepreneurship, highlighting this as a crucial role for economic integration of immigrants. Finally, this study shows that it is important to understand the specific social context these types of entrepreneurs are embedded in.

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