“How does Immigrant Enclave Theory Influence Transnational Diaspora Entrepreneurial Opportunity in Ireland?”

Osa-Godwin Osaghae, BA, BA hon, M.Sc.
Doctoral Researcher
College of Business, Dublin Institute of Technology, Ireland
Email: og.osaghae@hotmail.com, osa.godwinosaghae@dit.ie

Prof. Thomas Cooney,
School of Marketing, Dublin Institute of Technology, Ireland
Email: thomas.cooney@dit.ie

Abstract

Immigrant Enclave Theory (IET) explores the concentration and localisation of immigrants in a specific geographic area. IET captures those economic activities in which ethnicity and immigrant concentration can play a role, and in issues concerning immigrant self-employment and entrepreneurial activity. Some writers have focused on the resilience of these communities and described enclaves as sources of mutual support, collective political power, social relationships and potential Transnational Diaspora Entrepreneurship (TDE) activity. Other writers have criticised IET as a contributor to low profit margins due to over-representation of immigrant enterprises within the same sector, and geographic locality. This paper explores how IET influences TDE and offers a model on the relationship between both.

Key Words
Immigrant enclave theory (IET), transnational diaspora entrepreneurship (TDE), influence, culture, resources, capital, environmental factor, infrastructures, knowledge.

Introduction

The presence of changing immigrant demographics, variations in languages and ethnic cultural issues have influenced immigrant’s entrepreneurial activity due to the increased migration of people across international borders in recent decades (International Organisation for Migration, 2004; IOM). Although international migration is not a prerequisite for national economic development, international migration of people has created a significant expansion in the contribution by immigrants to the economic development of their new host countries (Honig, 2016). For example, in the last five years immigrant self-employment represented 47% of the increase in the workforce in the United States and 70% in Europe (OECD: Organisation for Economic Co-operation and Development, 2012). In Canada, 17.5% of immigrants aged 18 to 69 were self-employed compared with 14.4% of the Canadian-born population (Hou and Wang, 2011). In the UK, immigrants are three times more likely to be entrepreneurial than people born in Britain. In Ireland, a higher percentage of migrants (5.4%) have recently started a business compared with the non-immigrant population (3.4%), (Eurostat, 2015). On average, 42% of working-age adults in the GEM economies see good opportunities around them for starting a business. Thus, immigrants can significantly contribute to the expansion of trade between countries of origin and destination when immigration policies and development strategies are designed to maximise an immigrant’s contribution to a national economy (OECD, 2017).

To date, people migrate for various reasons ranging from war, unemployment, the
chance of a better life, family reunification, and most often for transnational entrepreneurship (Hammar and Tamas 1997; Kingma, 2007; Portes and Fernandez-Kelly, 2016). Over the past five years, international immigration has been on the rise and the number of migrants worldwide has continued to grow rapidly reaching 244 million in 2015, up from 222 million in 2010, and 173 million in 2000 (IOM, 2004). Making immigration one of the most contentious issues of the twenty-first century and the focus of policy makers, governments and organisations around the world. With the increased in the number of international migration, transnationalism and the suggestion that immigrant businesses within their enclave, this work aims to explore how immigrant enclave theory (IET) influences transnational diaspora entrepreneurship (TDE). IET describes (a) clustering of immigrant’s firms, (b) an economic interdependency, and (c) co-ethnic employment that creates an opportunity for the immigrant-own enterprise to employ another immigrant for immigrant businesses (Portes, 1981: p.290–291). As Aldrich and Waldinger (1990) and Neuman (2016) found, IET can create clustering, localisation, ethnic concentration of immigrants in a specific area, and the availability of home countries’ cultural resources in host countries.

Diaspora describes immigrants who are ‘forever’ settled in a country other than their country of origin, naturalised and have the cultural understanding of both their host and home country (Aikens and White, 2011). Transnational on the other hand, highlights the circular flow of immigrants between host and home country (Portes and Fernandez-Kelly, 2016), and create social, political and economic activity that span the national business environments of their countries of origin and countries of residence” (Riddle et al., 2010). Thus, TDEs are specialised intermediaries whose actions typically serve to reduce transaction costs and encourage interaction between potential buyers and sellers within the enclave and across countries (Dunning, 2005, Khanna and Palepu, 2010). Scholars such as Kuznetsov (2006) and Sørensen (2007) have suggested that the ideas, resources, and employment opportunities created by TDEs creates a profound impact on the economic and social development of their home countries. From this perspective, TDEs fill a structural vacuum (human exchange and interaction) that may have arisen within many emerging and developed market economies (North, 1990). As Riddle et al., (2010) found, TDE hinders a lack of specialised intermediaries and serves to reduce transaction costs, plus it encourages interaction between potential buyers and sellers. According to Khanna and Palepu (2010), TDE helps to overcome many of the structural challenges in emerging markets and enables firms to succeed in multiple environments. Hence, this work explores transnational entrepreneurship through the cross-border movement of people and considers how immigrant enclave theory influence diaspora to take up transnational entrepreneurship.

**Understanding Immigrant Enclave Theory (IET)**

Immigrant enclave theory has its origin in the theory of labour market segmentation that implies a split between a primary and a secondary labour market (Averitt, 1968). The primary labour market principally refers to large monopolistic corporations: in this market, the monopolistic power of firms enables them to pass on increases in costs to consumers and finance their workers (Piore, 1971 and 1975). The secondary market is the preserve of small competitive businesses that involve minority workers, employers and the self-employed (Doeringer and Piore, 1971). In the secondary markets, the sharing of same group identity, cultural, and bounded solidarity generate trust that reduces behavioural uncertainty in the diaspora businesses (Watson, Keasey, and Baker 2000). As Wilson and Portes (1980), Portes and Bach (1985), Aldrich and Waldinger (1990), Gilbertson and Gurak (1993), and Gilbertson (1995) found, immigrant businesses are frequently more harmonised with an
immigrant enclave than outside the enclave, because of the presence of distinctive conditions (immigrant cultural resources) that encourage immigrant enclave markets.

IET has been defined in a variety of ways, making comparisons across studies difficult. One of the most commonly used theories is by Portes (1981: p.290–291) which stated that an immigrant enclave is a distinct spatial location and organisation of a variety of enterprises serving an immigrant community. Portes and Jensen (1989) defined enclaves as the spatial gathering of businesses owned and run by immigrants serving immigrant groups. As Waldinger (1986) found, immigrant enclave theory described the geographical location of an immigrant in a specific geographical area. Portes and Jensen (1989) highlighted enclaves such as Miami, West Little River, and Hialeah due to the high concentration of Cubans and Cuban-owned firms in those areas. Zhou and Logan (1989) defined New York City as an ethnic enclave for Chinese immigrants. These definitions and examples presented enclaves as the geographical concentration of immigrants in a certain location, and therefore IET is a situation where immigrants are in a specific geographic area and use their cultural resources to form a closely knitted community of people from the same ethnic or immigrant background. This work adopts the definition of enclaves by Watson, Keasey, and Baker (2000) as follows:

"Enclave is the sharing of the same group identity and the presence of collective sanction mechanisms that generate trust, reduce behavioural uncertainty and enhances the immigrant activities within a geographical location (Watson, Keasey, and Baker 2000).

The definition portrays enclaves as an environment that provides an immigrant with their home cultural resources, a social field for immigrant activity and encouraging the geographical location of an immigrant in a particular location within host countries. Drawing from Bourdieu’s (1997) Theory of Practice, IET describes a social field (enclave) that generates immigrant infrastructures (habitus) and immigrant cultural capital (capital). According to Walther (2014), IET describes an environment that creates an infinite amount of interactions (discussions, negotiations or conflict) and rules, which determine and condition an individual's thoughts and behaviour amongst people of similar culture and immigration background.

A good example of social field that generates immigrant infrastructures and capital for entrepreneurial start-ups is the concentration of Cuban Americans in Miami, which was noted for the occupation of areas that had become vacated by American-born people (Portes, 1981; Portes and Sensenbrenner, 1993). Thus, concentration creates an environment whereby immigrants organised themselves into geographical cultural bounded communities where they trade exclusively or primarily with one another (Waldinger, 1986a, 255). Further, IET describes a scenario wherein through the utilisation of ethnic politics and ethnic mobilisation of resources, immigrants are in a position to combat any cultural differences in host countries (Portes and Manning, 2012). Despres (1975) and Hechter (1977) described IET as a reactive formation on the part of the minority to reaffirm its identity and interests in their own ethnic cultural element while in host countries. As such, IET portrays an environment where immigrants share ethnic identity based on a common culture and cultural habits (Nagel and Olzak, 1982; Berry, Phinney, Sam and Vedder, 2006; Chrysostome, 2010). Furthermore, IET allows for an understanding of business development from which individual entrepreneurs describes a typical immigrant resource such as (a) predisposing factors including cultural endowments and a sojourning orientation, plus (b) modes of resources mobilisation such as ethnic social networks and access to co-ethnic labour (Light and Bonaich, 1988; Boissevain
et al, 1990, p.132; Carbonell et al, 2011). Light and Gold (2000) and Riddle et al (2010) classified immigrant resources into two main groups as follows: the tangible (financing) and the intangible (information, advice, guidance) resources. The contextual approach on enclave resources focuses on the socio-economic context of the country of residence and favourable aspects regarding the business activity. Although countries differ in numerous ways (such as in population densities, costs of living, or educational opportunities), immigrant resources are mostly similar in most countries where there are immigrant enclaves (Birdseye and Hill, 1995; Black and Gregersen, 1990). Thus, immigrant resources provide immigrant entrepreneurs with opportunities of converting ideas and visions into rewarding ventures (Burt, 1997). When an immigrant is starting an enterprise, resources are mostly about the benefits that allow an immigrant entrepreneur to use the resources that they do not own (e.g. immigrant network; human, social capital and cultural resources) (Singh et al, 1999). This can be achieved through ethnic networks and building of trust within an enclave (Egbert, 2009).

IET explains the conditions through which immigrants gain market advantage and market protection (Waldinger, 1986). IET describes the importance of social and human capital in the immigrant entrepreneurial start-up process and with opportunity formation and recognition (Aldrich and Waldinger, 1990). Further, as Granovetter (1992, p.33) suggested, networks are a way of understanding the embeddedness of entrepreneurial activity as networks provide a conceptualisation of the entrepreneurial process as a complex pluralistic pattern of interaction, exchange and relationship between actors in a specified field (Jones and Conway, 2004, p.91). Social capital is a community characteristic that facilitates or inhibits the kind of innovation and risk-taking behaviour that is fundamental to entrepreneurship, and it can be an endowment that can be favourable or unfavourable to an immigrant entrepreneur (Westlund and Boltan, 2003; Huggins and Williams, 2012). Human capital theory explains the situation whereby immigrants decide to go into entrepreneurial activity aided by skill gained through previous country knowledge (educated in a host country) (Agosin and Bloom, 2002). Hence, IET helps to build understanding regarding how these elements create enclave resources in host countries that discourages transnational entrepreneurship and instead enhances opportunity formation in the enclave set-up.

**Understanding Entrepreneurial Opportunity Formation For TDE**

The desire to understand Entrepreneurial Opportunity Formation (EOF) has led to the question: where do opportunities come from? (Venkataraman, 2000; Sarasvathy et al., 2003; Shane, 2003; Shane and Eckhardt, 2003; Alvarez and Barney, 2005; Aldrich and Ruef, 2006; Alvarez and Barney, 2007; Eckhardt and Ciuchta, 2008; Alvarez and Parker, 2009). This discussion surrounding opportunity formation is embedded in a larger philosophy of science debate about realist and constructionist paradigms that has troubled organisational science scholars for the past four decades (Moldoveanu and Baum, 2002). The core of the discussion lies between discovered realist opportunities and created evolutionary realist opportunities (McMullen and Shepherd, 2006; cited in Koppl and Minniti, 2010). Recently, to avoid this discussion, scholars have begun to identify ways that apparent conflicts between realists and constructivists can be resolved. However, two of commonly used concepts to describe entrepreneurial opportunity formation are the creation and discovery approaches.

The human belief and perception regarding whether an opportunity is created or discovered is a manifestation of the individual / opportunity nexus approach. Kirzner argued that opportunities stem from imperfect knowledge, subject to the particular knowledge of time and place possessed by the entrepreneur. Shane and Eckhardt (2003) suggested that
opportunities are there for the taking, but only for those who possess the qualities necessary to both discover and exploit them. This has led to the debate of whether or not entrepreneurs have more cognitive skills than non-entrepreneurs. Scholars such as Ajzen (1991), Bandura (1982, 1991), Mills and Pawson (2006), Nicholson and Wong (2001), Pantouvakis (2013) and Pio and Dana (2014) have argued that entrepreneurs are individuals with the ability to take decisions and actions based on the beliefs about self, cultural disposition and how environmental factors affects their behaviour. As Ajzen (1991) found, one’s salient beliefs are determinants of a person’s intentions and actions. What this suggests is that the belief in one’s actions drives one own reality. According to, McMullen and Shepherd (2006), entrepreneurs are considered as possessing an accurate view of “reality” as opposed to non-entrepreneurs. The realists assumed that reality has an objective existence independent of individual perceptions (Popper, 1979). According to Campbell (1974), reality is independent of an individual’s perception that plays a role in the selection and editing of an individual’s beliefs and perceptions. Conversely, constructionists argue that reality is a social product based on the social interactions of individuals and does not have an existence independent of individual perception (Berger and Luckmann, 1967; Kuhn, 1970; Weick, 1979). In the evolution of the field of entrepreneurship, the realist perspective has dominated the constructionist and evolutionary realist approaches (Venkataraman, 2003). This does not suggest that constructionist or evolutionary realist views are not important in opportunity formation, but it does offer an indication that individual beliefs and perceptions of what is an opportunity form the main reason for the exploitation of an opportunity (Gartner, 1985; Aldrich and Kenworthy, 1999; Aldrich & Ruef, 2006; Baker & Nelson, 2005).

Kirzner (1997) claimed that opportunity is discovered (exogenously recognised) when individuals seize opportunities when they are alerted to them. Santos and Eisenhardt (2005) believe that opportunity formation occurs only when an entrepreneur perceives new opportunities for the creation of value and the construction of a market around these opportunities. According to the enclave theorists, individual traits (cultural, personal knowledge, actions, attitude and behaviour) and immigrant networking capabilities creates opportunities for immigrant start-ups (ethnic knowledge and demography size) (Waldinger, 1986; Portes and Sensenbrenner, 1996; Nicolaou et al, 2009). According to Waldinger, Aldrich and Ward (1990, 31-32) opportunity formation is a result of a complex interplay of political/economic and socio-cultural factors. Stable political situation (regulations, immigrant-friendly policies, healthy economy, entrepreneurial policies etc.) creates entrepreneurial opportunity (Waldinger et al., 1990). Portes and Fernandez-Kelly (2016) argued that stable economic activity in the host country creates structural opportunity. According to Aldrich and Waldinger (1990) and Neuman (2016), government policies with regard to the assimilation of immigrants and their diaspora create opportunities in the immigrant sector. Arguably, achievement is a defining trait of entrepreneurs and therefore entrepreneurial opportunity formation is driven by one of the three kinds of drive: (1) need to affiliate; (2) need to achieve; and (3) need to be powerful (Murray, 1938, later developed by McClelland, 1965). According to Hornaday and Aboud (1971) and Ellen (2010), the need for power is an unconscious motive that pushes entrepreneurs to venture into creating organisations. From this perspective, it could be argued that, the need for achievement drives the entrepreneur to a better cognitive way of thinking as non-entrepreneurs. Thus, opportunity formation is a result of the individual ability to recognise an economic activity (old or new idea) and build a market around the found, discovered, or created product or service (Long and McMullan, 1984; Davidsson 2009 and Dimov, 2012). This way of looking at opportunity formation, suggests that opportunity can either be recognised, created or discovered, a discussion that have been challenged by a number of authors from a variety of theoretical
perspectives (e.g. Sarasvathy and Dew 2005; Guard & Giuliani 2013; Davidson 2001; Alvarez and Barney 2013). Using the relational and temporal approach, Alvarez and Barney (2007) for example, argued that opportunities are endogenously created, not discovered. Sarasvathy and Dew (2005), Guard and Giuliani (2013), Davidson (2001) and Alvarez and Barney (2013) were able to demonstrate that the process of opportunity recognition involves both creation and discovery, and that creation and discovery of opportunity occur simultaneously. According to the reality approach, unobservable opportunities exist objectively independent of individual perception and by implication, that these opportunities can only be seen to be discovered (Kirzner, 1973, 10). Thus, opportunities exist in an already existing reality and alert individuals are often familiar with the norms and laws or “truth” of this reality (Koppl and Minniti, 2010). From this perspective, it could be argued, that entrepreneurial opportunity formation occurs when an individual is in position to recognise and interpret the external elements that aid opportunity formation within a given location (see Figure 1 below).

**Figure 1- Showing Elements of Opportunity Formation in Immigrant IET and TDE**

![Diagram of Opportunity Formation](image)

Source: Adapted from Aldrich and Waldinger (1990), Portes and Sensenbrenner (1993), Nkongolo-Bakenda and Chrysostome (2012); Davidsson (2016)

From Figure 1 above, immigrant opportunity formation is a result of the individual enabler (previous country, knowledge, motivation, self-efficacy, need for achievement, power and affiliation, persistence, direction, intensity) and the external enabler (environment, infrastructures and resources) (Davidsson, 2016). On the individual level, the entrepreneurial motivation, direction, intensity, and persistence help opportunity formation (Shane et al., 2003). In clear terms, a motivational entrepreneur will be willing to exert a particular level of effort (intensity), for a certain period of time (persistence) towards a particular goal (direction). Furthermore, the environment (the presence of ethnic infrastructure, stable political and economic condition) in which a person lives at a point in time helps the entrepreneurial opportunity formation (Bourdieu’s Theory of Practice 1977; Davidsson, 2016). Therefore, this indicates that human behaviour can (because of several forces differing in both direction and intent) react to events around which may trigger certain behavioural objectives that help individual opportunity formation. The literature does enumerate the behaviours that are associated or unique to entrepreneurial activities (e.g. risk-taking,
innovation, achievement orientation, etc). The underlying cause of all these behaviours is the belief (self-efficacy) of the individual to execute behaviours necessary to produce specific performance accomplishments that result in opportunity formation (Chen et al, 1998). According to Bandura (1986, p.231), self-efficacy is concerned not only with the skills one possesses, but also with a judgment of what one can do with the skills. As such, self-doubt of an individual about his/her abilities can hinder the individual opportunity formation. As Bandura (1993) and Chen et al., (1998) claimed, a belief in one’s abilities, plus any past experience (self-efficacy), motivates an individual to aim for higher standards of achievement and above all, decreases the fear of threat.

In line with the constructionist approach, individuals interpret a phenomenon, raw data, or resources and give it a meaning that is different from other’s interpretation (Koppl and Minniti, 2010). Hence, the suggestion that the way entrepreneurs interpret data and utilise resources give them an edge over non-entrepreneurs in opportunity formation. According to Katz and Gartner (1988), individuals create realities and then mould their actions towards that reality. As such, opportunity formation lies in the ability of an individual to use the available resources (cultural, financial capital and previous country knowledge) to create opportunity (Davidsson, 2016). Following the opportunity confidence concept by Dimov (2010), opportunity formation can result from country knowledge or an individual’s previous involvement in entrepreneurship. Previous knowledge enhances one’s confidence and ability to do something, not because one individual has more cognitive ability than another person does. In this way, an entrepreneur “designs the future” based on the environment and the resources available to the entrepreneur (Baker and Nelson, 2005). In the immigrant enclave set-up for example, opportunity formation is a result of cultural resources found within the immigrant enclave (Santos and Eisenhardt, 2005). As Waldinger, (1986) and Portes and Sensenbrenner, (1993) found, enclave resources creates opportunity for immigrant’s start-up. Aldrich and Waldinger (1990) and Aldrich et al. (1989) found that the reliance of co-ethnic habits by immigrants creates markets that encourages diaspora entrepreneurship within a national framework. In the enclave, the migrant opportunity formation involves the ability of an individual to use the enclave resources to identifiers niches and creates enclave markets around the niches (Evans, 1989). Hence, this work suggests that opportunity formation is a result of the availability of several factors that aids entrepreneurs start-ups (see Figure 1 above).

Understanding the Relationship Between IET And TDE

This section stands to explain the main connection between IET and TDE. As Aldrich and Waldinger (1990) and Portes and Sensenbrenner (1993) found, IET explain a situation whereby immigrant and people of similar immigration experience concentrate in a particular geographical location, and form a community bounded by immigrant resources. TDE on the other hand, has been described as a “social realm of immigrants operating in complex, cross-national domains, with dual cultural, institutional, and economic features that facilitate various entrepreneurial strategies” (Drori et al., 2006, p. 1). From the definition of these two concepts, the understanding is, IET provide a social field for immigrant entrepreneurship in host countries, while TDE is the engagement of immigrant who are ‘forever’ settled in a host country in cross-border entrepreneurship. Drawing from the discussion in immigrant literature, IET when found in host countries provide the cultural resources for transnational diaspora entrepreneurship (Waldinger et al., 1986). As Aldrich and Waldinger (1990) and Portes and Fernandez-Kelly (2015) found, home country culture in host countries provide market niches needed for immigrant entrepreneurship. As such, enclave and TDE are cultural related, while IET creates the resources for entrepreneurship in host countries, the cultural
understanding of home country by TDE also allow for transnational activity by diaspora

Culture and the need to associate with ancestral home as well as to be involved in entrepreneurial activity between home and host country draw diaspora to their home country. Same way culture and national identity creates immigrant entrepreneurial activity in host countries (Portes and Sensenbrenner 1993; Masurel et al. 2002). According to scholars such as Teferra (2004), Riddle and Marano (2008), Riddle et al., (2008) TDE are those groups of entrepreneurs that avail of the cultural knowledge, social networking, electronic bulletin boards, and other online venues of both host and home countries to engage in cross-border entrepreneurship. As found, in the study of the Cuban Americans in Miami, the present of Cuban cultural resources and infrastructures allow for entrepreneurial opportunity formation in the Cuban enclave in Miami (Portes and Sensenbrenner (1993). As such, diaspora transnationalism is a motivation of social recognition, friendliness and receptiveness of the home country, as well as integration and support of immigrants in the host countries (Nkongolo-Bakenda and Chrysostome, 2012). According to Aldrich and Waldinger (1990), enclave is a motivation of immigrant infrastructures and entrepreneurship environment in host countries. From this perspective, arguably, the relationship between IET and TDE stands from the infrastructures and cultural resources that are available for start-ups and entrepreneurial activity in host and home countries (Nkongolo-Bakenda and Chrysostome, 2012).

To paint a good picture of the relationship between IET and TDE, this work will draw on frameworks developed in diaspora and immigrant entrepreneurship and consider components in the framework developed by Aldrich and Waldinger (1990), Drori et al., (2010), Nkongolo-Bakenda, and Chrysostome (2012). While keeping in mind insights from theories mentioned in the previous section. Figure 2 presents the framework whose terms will be explain as follows (see Figure 2 below)

Figure 2- The Relationship Between IET and TDE

Sources: Framework adapted from: NESTA, 2011; USAID, 2002; Guidance for Developing a Theory of Change for Your Programme, and Buckley, 2016; Community Division of the Department of the Environment, Community & Local Government, 2015; OCED, 2016; Davidson, 2015, 2016

8
The relationship between IET and TDE can be described as a ‘Grand Theory’ an abstract and normative theory of human nature and conduct (Skinner, 1985, p.1). IET and TDE describe human nature and conduct within the enclaves and how immigrants are bounded by home country, shared cultural meanings and norms in host country (Bourdieu, 1997). From this perspective, the environment is an essential factor to IET and TDE opportunity formation. The suggestion is both IET and TDE explain how cultural, environmental factors, infrastructures, capital and rules function and creates a social field which immigrant conducts entrepreneurial activity. Evidence suggests that being part of migrant enclave is significant predictors of entrepreneurship, also being part of a diaspora community; has become a significant factor to exploring TDE (Aldrich and Waldinger, 1990; Portes and Fernandez-Kelly, 2015). As such, it could be argue that, IET and TDE are a result of immigrant resources in host and home countries. In conclusion drawing from the work by Peroni et al., (2016), this work argued that the relationship between IET and TDE lies on the reliance on specific cultural in the institutional, environment and resources in home and host country. Clearly, what this suggests is that diaspora draws from the interaction that immigrant enclave creates in host countries, to engage in transnational entrepreneurship.

Discussion

This work examines how immigrant enclave theory (IET) influences transnational diaspora entrepreneurial (TDE) opportunity in Ireland. From the theories reviewed, IET explore immigrant entrepreneurial activity in host countries. As found in this work, the formation of immigrant enclave opportunity rest on the availability of three main factors; namely, the (a) environmental, (b) infrastructures and (c) resources. These factors also provide TDE with the opportunity to convert idea and vision into rewarding ventures (Burt, 1997; Portes and Sensenbrenner, 1990). Further, location and concentration of people of similar culture in a particular area create enclaves resources that encourages transitional entrepreneurship (Waldinger, 1986). TDE describes diaspora entrepreneurial activity that span between host and home country (Portes and Fernandez-Kelly, 2015). This cross-border entrepreneurial activity by diaspora is a result of the increase in demand for immigrant market due to the increase in the demographic condition of immigrant and diaspora in host countries (Wallace, 1997; Liebig 2003). Thus, increases in immigrant’s demographic characteristics in host countries create infrastructures, resources, and environment that provide market niches for start-ups and transnational entrepreneurship; an entrepreneurial activity with the sole aim of meeting the niche of immigrants and diaspora communities in host countries.

As Kloosterman and Rath (1999) found in their study of Muslim Islamic butchers in the Netherlands, increases in the demographic condition of immigrants in host countries provides enclave opportunity and start-ups. While the work by scholars such as Newland and Tanaka, (2010), Plaza and Ratha (2011), Nkongolo-Bakenda and Chrysostome (2013) claimed, good and stable entrepreneurial policies such as, good economy condition, supportive government policies and networks as factors that encourages start-ups influence transnational entrepreneurship. According to Newland and Tanaka, (2010), Plaza and Ratha (2011), Nkongolo-Bakenda and Chrysostome (2013), good entrepreneurship policies eradicate start-up administrative formalities, provide structural infrastructures and increase immigrant socio-demographic conditions in host countries. These factors according to Davidsson (2016), when found in an economy enables (external enabler) opportunity formation and transnational entrepreneurship. An external enabler in the sense, stand for a distinct that encourage opportunity formation. From this approach, it could be argued that, the individual entrepreneur persistency, desire, need for achievements, power, affiliation,
motivation, supported by the external enabler form the main drive to starts-ups opportunity and transnational entrepreneurship (Davidsson, 2016). As such, enclave demographic condition, resources and good entrepreneurial policies that encourage enclave opportunity formation, also influence transnational entrepreneurship opportunity formation.

This work also highlighted that diaspora resources and opportunity are consequent of immigrant’s cultural capitals (cultural, human, social capital) and networking that creates immigrant enclave bounded solidarity, market and immigrant entrepreneur’s opportunity formation (Portes and Sensenbrenner, 1993; Neuman, 2016). According to scholars such as Aldrich and Waldinger (1990) and Neuman (2016), IET preserved immigrant home country cultural identity; provide immigrant resources that plays an essential role in immigrant enclave opportunity formation. Singh et al, (1999) and Egbert (2009), immigrant's and diaspora resources are mostly about the benefits entrepreneurs are provide with by using resources that they do not own (i.e. immigrants network, human, social capital and cultural resources). Further, these resources allow for network and building of trust within the enclave. From the perspective, the pursuit of immigrant’s and diaspora opportunity involve the ability of the individual entrepreneur to recognise and understands the cultural capitals that are available within the enclave and home country to create enclave market and engaged in transnational entrepreneurship. Thus, this work is of the view that the immigrant environmental norms, norms of conformity, immigrant market, and norms of family interdependence when found in host countries encourage transnational diaspora entrepreneurship. Therefore, factors such as good entrepreneurial policies, immigrant demographic condition, environmental factors, resources, infrastructures and immigrant culture that encourage immigrant enclave entrepreneurial activity also have influence on diaspora involvement in transnational diaspora entrepreneurship.

Conclusion

The theories explore in this work, suggests that, immigrant enclave in host countries provides immigrant cultural resources, protects immigrant’s market and provides the external enabler that encourages enclave opportunity formation. From the explored theories, this work suggests that IET influence TDE opportunity formation as follows. That opportunity formation in the immigrant enclave and TDE are dependent of the external and the individual enabler factors within the enclave. The individual enabler are those attributes (persistency, desire, and need for achievements, power, affiliation, and motivation) that aid opportunity formation. The external enabler are, (1) environmental factors such as, socio-cultural factors, regulations, immigration-friendly policies, healthy economy, entrepreneurial policies, immigrant group, demographical characteristics (2) infrastructures such as Government support networks and (3) enclave resources as in financial capital, human capital, social capital, trustworthiness, community support, previous knowledge and network that creates start-ups opportunity as well as opportunity for transnational entrepreneurship. The stand is increase in the demographic condition of immigrants creates a social field for immigrant resources creation and infrastructures for entrepreneurial activity in host countries. Same vein, the increase in immigrant activity within a host country leads to increase in diaspora connective and transnationalism between home and host countries.

Immigrant entrepreneurship involve the understanding of home country cultural knowledge and enclave activity that provides the interaction for immigrant entrepreneur entrepreneurship. Thus, cultural interaction when found in host countries influence TDE in the following ways
Creates home country culture in host countries,
Make available market and immigrant resources necessary for immigrant activity
Creates immigrant infrastructures, identity, social field, social and Human capital
Community trustworthiness and bounded solidarity

These elements form the core of immigrant’s entrepreneurship opportunity formation in home as well as in host countries. As such, the presence of these home country cultural elements put the diaspora in the position to travel between home and host country, and to avail of resources in both setting. Further, immigrant enclave provides the much needed immigrant market, demographic characteristics, human and social capital as well as trust and bounded solidarity for the exploration of TDE within a host country. Thus, the presence of these elements in host countries acts as stimulant to diaspora transnational entrepreneurship and on the other hand, can acts as dissimulate to diaspora connective with their ancestral home.

As evidence in literatures, the understanding of their own home country cultural knowledge create ease of adaptation for diaspora entrepreneurs engaging in transnational entrepreneurship, and eliminates the adaptive processes that are undertaken by immigrants in an unfamiliar environments (Berry, 2008; Kim, 2008; Bhatia and Ram, 2009). As highlighted in Figure 2 above, enclave resources and demographic condition in host countries provides diaspora with the opportunity to engaging in transnational entrepreneurship. As suggested in various studies (Waldinger, 1986, Aldrich and Waldinger, 1990; Portes and Sensenbrenner, 1993), immigrant market mostly involves the understanding of ethnic preference of the immigrant enclave customers. The understanding of immigrant preference, the presence of immigrant demographic characteristics and the demand for the cultural goods that can only be supply by people with similar cultural and immigration background creates enclave market and the need for diaspora to engage in transnational entrepreneurship. Thus, from the various theories explore in this work, it could be argued that, the presence of IET resources in host countries encourages diaspora to take up transnational entrepreneurship, also that IET protect enclave market and make immigrants and diaspora the sole provider of transnational entrepreneurship.

References

- Davidsson, P., 2016. Researching entrepreneurship: Conceptualization and design


Kuznetsov, Y., 2006. Diaspora networks and the international migration of skills: How countries can draw on their talent abroad. World Bank Institute, Washington DC


OECD/European Union 2014; Policy support for entrepreneurship by ethnic minority groups. The Missing Entrepreneurs 2014


