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**Author(s)**

Alvarado , Juan Francisco

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## Ideas, Context and Connections: Conceptual Framing of the Opportunity to Innovate for Migrant Entrepreneurs

Juan Francisco Alvarado

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### Abstract

Are migrant entrepreneurs innovative with their business ideas and practices? The introduction of novel business ideas would provide migrant entrepreneurs with a cutting edge advantage against competitors, but the research about this topic is thin on the ground. I propose that the opportunity of migrant entrepreneurs to introduce an innovation is better understood by a closer look at the business idea itself and to which extent it is innovative; by considering the contextual factors where the opportunity structure influences the development of migrant businesses; and by the existence of social connections to share resources and information among entrepreneurs. Such complementary concepts — combining the interaction of the social, human, cultural and financial resources of individual migrants in relation to the wider opportunity structure — provide a comprehensive understanding of the opportunity for entrepreneurs to innovate. By using those contributions as conceptual building blocks, I propose the use of innovativeness levels for migrant entrepreneurs following the processes of adaptation and massification of goods and services introduced by migrants over time. This article builds from existing frameworks: contributions about the definitions and typology of innovation; the mixed-embeddedness approach, which has been largely used to study the opportunity structure; and the model of diffusion of innovations which pays a larger attention to the product and the agency of actors.

**Keywords:** migrant entrepreneurship; migration-based innovation; mixed-embeddedness; migrant innovativeness; diffusion of innovations.

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**Juan Francisco Alvarado:** Universities of Brescia and Milan (Italy); University of Amsterdam (Netherlands)

ORCID <http://orcid.org/0000-0001-6520-2883>

✉ [j.f.alvarado.valenzuela@hva.nl](mailto:j.f.alvarado.valenzuela@hva.nl)

Juan Francisco Alvarado, sociologist, is a PhD Candidate in a Joint Program by the universities of Milan and Brescia in Italy and the University of Amsterdam in the Netherlands. His project investigated the role of innovation and social networks of migrant entrepreneurs in both countries. His new research at the University of Applied Sciences of Amsterdam covers entrepreneurial stories of failure and recovery. Alongside research activities, he is involved in the dissemination of academic knowledge to policymakers through projects with the Municipality of Amsterdam, the Metropolis Project, and the Imiscoe Network.

## 1 Introduction

Entrepreneurship is a powerful driver of economic growth and job creation: it creates new companies and jobs, opens up new markets, and nurtures new skills and capabilities.

– (European Commission, 2018)

The quote found in the section of Migrant Entrepreneurs in the website of the European Commission exhibits the advantages of promoting entrepreneurship for the whole of the society. This policy discourse stresses the position of entrepreneurship linked to the creation of new companies, new markets and new opportunities (Jensen, 2014). The importance of searching for novelty directly points to the prominence of economic innovation; but does it apply also for innovation coming from the businesses of migrant entrepreneurs? Literature about this topic is scarce (Lange, 2018), thus the answer could be in the research done about the positive and negative sides of migrant and ethnic entrepreneurship. On the one hand, high levels of education of migrants are associated as a positive requisite to induce new business ideas. Research on this topic includes the development of digital innovation in Silicon Valley supported by high human capital in combination with transnational ethnic ties (Saxenian, 2007); the outperformance of a certain group of migrants in terms of innovation by self-selection and structural conditions in the U.S. (Hunt, 2011); and, the contribution to local economies by educated migrants who chose to be entrepreneurs in the Netherlands (Kloosterman & Rath, 2014). On the other side, entrepreneurship as a survival business strategy is seen as a negative outcome of migrants being pushed out of the labour market (Aliaga-Isla & Rialp, 2013; Kloosterman & Rath, 2001; Rath, 2005). In such process, migrants' businesses are described as replicative and seem to depend only on the resources of the ethnic community where they are embedded (Aldrich & Waldinger, 1990; Zhou & Portes, 1993). In this article, I use an assemblage of existing theoretical frameworks looking at the opportunities that migrant entrepreneurs face when introducing innovation with their entrepreneurial activities.

Some migrant entrepreneurs are adding something new to the market, but how to identify what is novel? To start with, this article uses the definition of innovation as the process of introducing a novelty (Schumpeter, 1947). In his work, Schumpeter argues that innovation is an inherent characteristic of entrepreneurs<sup>1</sup> as they become the economic engine for the development and improvement of their societies. The first building block of this article discusses the research in the field of migration studies touching upon the topic of innovation. To do so, innovation is widely referred as the novel change adopted in one or more of the following elements: a product, a method of production, a marketing strategy, and an organizational change (Ramella, 2015).

Once the novelty is framed with its characteristics, the context where that innovation is introduced becomes the second building block. When I refer to context, it is understood as the social context where the economic activity takes place (Granovetter, 2005). Such context is exposed to changes over periods of time: the opportunities for a disruptive innovation or to adapt incrementally can be better observed by framing the social context *ex-ante* and *ex-post* (Bruland & Mowery, 2006; Rogers, 2004). Building in such frame of embeddedness, the approach of mixed-embeddedness looks for opportunities in the social context where the agency of migrant entrepreneurs interact with the rest of actors in the society (Jones, Ram, Edwards, Kiselichev & Muchenje, 2014; Kloosterman, 2010). Those opportunities could have an origin in a migratory experience. In such context, the role of the ethnic market is important but not decisive, the longitudinal perspective as well as the mainstream market offer a better perspective (Ram, Jones, & Villares-Varela, 2017).

The spread of innovative business ideas among different actors, either entrepreneurs or consumers, inside that context refers to social connections as the third building block. It has been shown that social networks influence different stages of entrepreneurship, with similar results in various countries (Greve & Salaff, 2003). Migrant entrepreneurs use a mix of local and transnational networks to acquire advice, skills and resources (Solano, 2015; Vacca, Solano, Lubbers, Molina, & McCarty, 2018). Those findings could be applied to the study of innovative business ideas, where networks are being measured and

1. The differentiation between entrepreneurs and managers is pertinent since the first group refers to those creating a new business and innovating at a certain point; while the second group refers to those running the business and dealing with administrative work (Baumol, 2010). Such division is not so evident in small businesses — migrant owners among them — where one (or few people) acts as both the founder of the business and the manager.

described nowadays in more details than in previous studies (Bilecen, Gamper, & Lubbers, 2018). And the importance of networks in the diffusion and adaptation of an innovation was present at the *model of diffusion of innovations* (Rogers, 2003).

A step forward into the study of innovation among migrant entrepreneurs appears from those complementary contributions that are presented in the following sections. I conclude with the suggestion to use a migratory experience as one of the sources to find opportunities where to frame, develop or limit the innovation as part of a business idea. There is a strong need for academic research and policy to explore innovative business opportunities among migrant entrepreneurs.

## 2 Economic Innovation

Innovation is seen as something new in the market with economic value (Ramella, 2015; Rogers, 2015; Smith, 2006). Schumpeter (1939) referred innovation as an inherent quality of entrepreneurs because they contribute to the economic improvement of the society by starting new businesses where customers are willing to pay for that novelty. A new product can be a tangible good, e.g. an electric scooter; or a service, e.g. the creation of a digital app. A new method of production can be the process of assembly lines when fabricating new components of airplanes. A new marketing strategy can be experienced every year in the campaign advertisements for the US Super Bowl. And an organizational change can be seen in new horizontal communication structures of a company. The model of diffusion of innovation also considers innovation as economic rewards that gradually are adopted by a general public (Rogers, 2004). In this article, innovation remains to be defined as the introduction of something new in order to transform a current economical state or situation.

Following this definition, innovation can be incremental or disruptive (Ramella, 2015; Smith, 2006). For those changes to be described as innovation, some authors opt for the disruptive creation of technology as the key (Baumol, 2002; Hovhannisyan & Keller, 2015) with a totally revolutionary and out-of-the-box improvement that changes existing products, standards or solutions for something better (Schumpeter, 1947; Śledzik, 2013). A complementary option is to consider that business opportunities need to be discovered incrementally before the competition does (Jong & Marsili, 2010). An example is the incremental adaptation of windmills in England and the Netherlands to the needs of production in various industries: wood sewing, food milling, colour production and more; followed by the disruptive development of steam engine in the first industrial revolution of England that quickly replaced the role of wind force (Bruland & Mowery, 2006). The geographical transfer of business ideas is vital for the opportunities to diffuse and adapt those innovations in different markets. Thus, an approach to understand novelty implies the comparison between the situation of an economic sector in a certain time and location before and after the innovation, assessing the level of creation or discovery of technology.

The measurement of innovation has evolved along the lines of the types of innovation: i) new product, ii) new process, iii) new organisation, and iv) new marketing. The most common methods are the measure of the registered patents (Hunt, 2011; Ramella, 2015; Smith, 2006); or the number of scientific articles published (Baumol, 2002; Saxenian, 2007; Smith, 2006). Patents are historical records where the invention is described to a public authority, who in return gives commercial rights to use that invention in business for a limited time (Smith, 2006). Meanwhile scientific articles are outcomes of research with the possibility to turn into a business idea (Hunt, 2011). Patents and scientific articles provided a perspective of the development of innovation in the past decades; but it might be useful to look at new methods to measure the complexity of economic innovations. The latest efforts to get a standardized tool is the *Oslo Manual* (OECD/EuroStat, 2005) with the homogenization of measures across European countries included in the Community Innovation Survey – CIS.

### 2.1 How Has Innovation Been Addressed from Migration Studies?

In the past years, some attention in the field of migration studies has been given to the topic of innovation and migrant entrepreneurs (Bosetti, Cattaneo, & Verdolini, 2015; Jensen, 2014; Kloosterman & Rath, 2001; Ozgen, Nijkamp, & Poot, 2011; Zhang & Zhang, 2016). Aliaga-Isla & Rialp (2013) contributed with their review about the state-of-the-art of migrant entrepreneurship and they highlighted

the predominance of a focus on individual characteristics of migrants and the need to complement meso and macro levels into the theoretical frameworks. To do so, interactive models<sup>2</sup> are helpful when they are used to test empirically the realities of different contexts. Three main contributions follow from the existing literature.

One contribution comes from the context of the USA which focuses on the ethnic origin of migrant entrepreneurs and their socio-demographic characteristics in comparison to other ethnic groups and to native-born population (Light & Gold, 2000; Portes, 1995). Their importance is to look at the processes of growth and adaptation of migrant businesses to their environments. The introduction of innovations in the receiving society was not studied because of the assumption that ethnic entrepreneurs only have opportunities to replicate business activities within ethnic markets (Portes & Sensenbrenner, 1993). That type of entrepreneurship was a product of migrants being pushed by other actors and the system into having their own businesses (Light & Gold, 2000; Logan, Zhang, & Alba, 2002; Portes & Vickstrom, 2011). In that context, a framework was proposed to look at the opportunity structure, the ethnic group characteristics and their strategies (Aldrich & Waldinger, 1990). The characteristics are given by their work experience, social connections, composition of the founding team and financial resources; the opportunity structure by the availability of a market for ethnic products; and the strategies by the possibility to find employment instead of entrepreneurship (Aldrich, 2005; Aldrich & Waldinger, 1990).

In the research from cases in Europe, the specificities of each country show divergent scenarios for migrant entrepreneurs. In a comparative perspective, innovation is connected to the concentration of diverse migrants in European regions (Ozgen et al., 2011). Transnational engagement has acquired great importance as a connection between different social contexts and is now seen as a major supplier of needed resources for entrepreneurship (Ambrosini, 2012; Rath, Solano, & Schutjens, 2019). One of the main explanations to find business opportunities is the resources of migrant ethnic communities to support the entrepreneurial initiatives of co-ethnics by providing work force, funding and an ethnic market (Molina, Valenzuela-García, García-Macías, Lubbers, & Pampalona, 2015). At a different level are the opportunities of the mainstream market where niches are abandoned by other (native) entrepreneurs or niches are created with cheaper or better provision of products and services than the competition (Kloosterman, van der Leun, & Rath, 1999; Rath, 2005; Storti, 2014). Such view is expressed in the proposition of the mix-embeddedness approach. It looks at migrant entrepreneurs in reference to the overall social structure where they operate (Kloosterman, 2010). They propose to go beyond the study of ethnic circles and ethnic markets, and instead to look at existing local structures such as the market opportunity structure or the existing legislation. In all those studies, innovation is not addressed as the main topic but it is recommended as an avenue of research.

The message from the literature in other regions of the world states that innovation depends on the geographical concentration of ethnic groups and on the high level of education of certain individuals in comparison to other co-ethnics. Individual cases of migrant innovators were found in refugee camps in Africa, where the businesses flourish as a response of refugees' need and the action of an individual with good connections, better education and an initial monopoly in the provision of their service (Betts, Bloom, & Weaver, 2015). In the same line, diaspora entrepreneurs act as bridges of new business ideas between the countries of migration, and those ideas produce changes in the social context where they are introduced (Rana & Elo, 2017; Riddle & Brinkerhoff, 2011).

Human capital, as education and work experience, is the main explanation for innovative business ideas and its implementation when shifting from contextual characteristics to individual ones (Bosetti et al., 2015; Hunt, 2011; Scott, 2006). But, research shows that skills acquired by migrants are still producing similar work trajectories, due to a mismatch of human capital among the sending and receiving countries (Kloosterman, Rusinovic, & Yeboah, 2016). There are some cases where work experience and social contacts are allowing entrepreneurs to profit from the identification of key processes improving a product, a process or an organisation (Morgan, Sui, & Baum, 2018). So, higher human capital seems to be the key for innovation but still depending on the contextual conditions.

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2. For a better discussion about the two main interactive models in migrant entrepreneurship, see Rath, Schutjens and Solano (2019) and Dheer (2018) where they discuss the current state of migrant entrepreneurship literature.

Cultural capital may also affect innovation when considering transnational contexts (Rusinovic, 2008). Portes, Guarnizo and Landolt (1999) applied the term *transnationalism* to the activities where contacts and resources are mobilized across borders in search of suppliers, capital and markets. Those contacts repeat over time, are constant, cross borders and involve a geographical distribution of their relatives, friends, and acquaintances (Dheer, 2018; Herz, 2015; Salaff, Greve, Siu-Lun, & Ping, 2003; Schiller, Basch, & Blanc, 1995). Solano (2016) argues that practices in multifocal contexts contributed to the specialization of migrant businesses as well as the production of creative ideas. Transnational connections are able to bring products or services not found by migrants in the receiving society, thus bringing some novelty into the receiving market.

### 3 Towards the Study of Migration-related Innovation among Entrepreneurs

When researchers ask about the relationship between entrepreneurship and innovation, “the real question seems to be not whether entrepreneurs innovate, but rather, when and where they do so” (Autio, Kenney, Mustar, Siegel, & Wright, 2014, p. 1098). Migrating involves a change of geographical location over time, in that line the proposal in this paper to understand innovation among migrant entrepreneurs is based in three building blocks to explore a) the attributes of an innovation, b) the social context where they were introduced and c) the network channels used for that purpose. The analysis of those three topics would add elements to a specific characteristic for the entrepreneur: innovativeness in function of the implementation of a business idea with roots in the migratory experience and in related life experiences.

#### 3.1 Attributes of Innovations in Business Ideas of Migrants

Attributes of an innovation refer to the characteristics of a product during the diffusion process, but they are assessed in different ways by particular social groups. The opportunity to introduce an innovation could be seen as the best alternative in a particular context (Hall, 2006). But replication could also be a less-risk alternative, especially when the possibility for diffusion is blocked by a cultural practice, an authority or social influence (Rogers, 2004). The following five attributes are the basis of the model of diffusion of innovations (Rogers, 2003) and are explained in relation to business ideas of migrants:

- i) The *relative advantage* of introducing a product by a migrant entrepreneur is explained from the economic profit, social status, the prevention role or complementary incentives (Rogers, 2003). The case of Islamic butchers illustrates the economic profit for both the migrants selling halal meat as well as for consumers paying for that specific meat unavailable otherwise in the local market (Kloosterman et al., 1999). The social status of entrepreneurs increases by using the identity of business-owners as an occupational status inside the migrant community, and by using the figure of economic contributor inside the native social group (Aldrich, 2005; Aldrich & Waldinger, 1990).
- ii) *Compatibility* is based on three conditions: cultural beliefs, past innovations and needs of the customers. Migrant entrepreneurs opt for strategies compatible with their target customers, among them with specific groups inside the local population, and with their own ethnic population. Greater similarity in ethnic markets have been repeatedly described (Light & Gold, 2000; Vissak & Zhang, 2014). An example of compatibility with the native population is the case of Chinese migrant owners in the fashion industry in Italy who hire co-ethnics with informal contracts because such practices are tolerated when many Italian business-owners act in a similar way, even if that is not compatible with the local legal regulations (Zhang & Zhang, 2016).
- iii) The *complexity* is linked to the capacity of the customers to understand its practical use. An example is the case of Taiwanese entrepreneurs in the computer service sector of Germany (Leung, 2001). The nature of their service is to provide specific support for large retailers, in English language and with constant changes in the market. Customers expect the service only, while paying little attention to the complexity of adopting computer innovations happening behind walls.

- iv) *Trialability* of a migrant business is connected to the ability to experiment with an innovation at a personal level. The case of exotic cuisine exemplifies this (Razin & Scheinberg, 2001). When eating at a Russian restaurant in Israel, Jewish customers have the possibility to try food with Eastern and Russian influence brought by the newly arrived. Over time, the consumption of particular dishes spread to those looking for a variety of gastronomic experiences to integrate within their Jewish identity across the country.
- v) *Observability* is related to the capacity of customers to see the results of an innovation. Transnational connections facilitate the introduction of new products in a local market, but the publicity of those products facilitates their visibility. The niche of hairdressers is an example of visible results (Basu & Werbner, 2001): those business being the first in European cities to cut, treat and style curly hair get higher diffusion among migrant or native population with African origin.

### 3.2 Context Matters for Migrants: Opening and Closure for Innovation

Following scholars in the topic of migrant entrepreneurship, the approach allowing us to look at the wide opportunity structures is the mixed-embeddedness (Dheer, 2018; Jones et al., 2014; Kloosterman & Rath, 2014). As described previously, other authors with a focus on ethnic markets have provided valuable understanding of the support and role of ethnic-based communities for entrepreneurs as well as a safe niche for economic ventures (Aldrich & Waldinger, 1990; Light & Gold, 2000; Logan et al., 2002; Zhou & Portes, 1993). But they fall short when looking at the variety of business activities and individual migrants in relation to the receiving local societies (Kloosterman & Rath, 2014; Rath, Bodaar, Wagemakers, & Wu, 2018). In the mixed-embeddedness literature, different countries are being studied (Jones, Ram, Edwards, Kiselinchev, & Muchenje, 2012; Leung, 2001; Rath & Swagerman, 2016); a variety of sectors of the economy are already noticed, such as the presence of migrants in the garment industry or in import-export (Rath, 2005; Solano, 2016); and the study of second generation entrepreneurs and transnational connections is included (Bagwell, 2018; Rusinovic, 2008). They suggested to study innovative business of migrants (Kloosterman & Rath, 2001, p. 199) as they noticed the increasing role of technology-based improvements when migrants introduced goods and services in the local economies.

The two main elements of the opportunity structure are the socio-economic conditions and the political institutions. The opportunity structure is seen from the institutional assemblage as well as the openings in the local markets where migrants are distributed. Actors are matched based on their capacities and resources according to their different social, cultural, human and financial capital. Empirical research found a large number of migrant entrepreneurs in the lower end of the opportunity structure (Kloosterman, 2010) where business were run on low qualifications of migrants as well as small investments. But for second-generation entrepreneurs, opportunities were framed by their transnational connections as well as the understanding of the local context (Rusinovic, 2008).

The openings and closures for innovation can be seen from the element of the opportunity structure at the national, regional and local levels. At the national level, there are several aspects to be considered: country regulations and permits to start and operate an innovative business, personal needs provided by the state or by private companies, labour market regulations for employers and employees and social mobility in the social structure for entrepreneurs (Antonioni, Mazzanti, & Pini, 2009; Lange, 2018; Ram et al., 2017). At a regional or urban level, important aspects are: specialization of geographically-clustered companies, economic dependence on global chains, and the level of connection with other regions and economic sectors (Chatterji, Glaeser, & Kerr, 2014; Dawkins, 2008; Zhang & Zhang, 2016). Finally, spatial distribution of native and migrant population and (in)formal practices related to the regeneration of neighbourhoods are crucial at a neighbourhood level (Kuppinger, 2014; Toruńczyk-Ruiz, 2014). At all levels, political actors, institutions and economic interests are interacting, opening or closing for the initiative of (migrant) entrepreneurs. Defining the boundaries of each of the levels is crucial for the characterizations of something new, especially given that migrants are newcomers to existing socio-economic and political structures. Looking beyond these nationality-based boundaries is an opportunity to frame the novelties in relation to the wide opportunity structure.

### 3.3 Social Connections as Channels of Communication for Innovation

The last topic is the use of social connections in a given context. Existing connections are not only used for economic purposes, but as emotional, legal and cultural support to their businesses (Burt, 2000). In the mixed-embeddedness approach, those (ethnic) connections are used to identify the business opportunities and the flow of ideas, resources, and information (Kloosterman et al., 1999; Rath et al., 2017). In a similar manner, Rogers (2004) argues that the role of diverse social connections is to provide new ideas, which can be used for business as innovation. His model of diffusion of innovations has been updated and improved (Bruland & Mowery, 2006; Hall, 2006), refining the fluctuating role of communication channels as providers of information and resources inside certain boundaries (Rogers, 2004).

Networks seem to offer positive outcomes to establish a business (Greve & Salaff, 2003), and at the same time to become a capsule inside a tight social group, i.e. community entrepreneurship (Welter, 2011). Seeing from the desired results for innovation, networks' diversity contribute with the possibility of exchanging new information through ties connecting to other people (Granovetter, 2005). Such connections are useful for three main reasons (Granovetter, 1985): one, they already exist so they have low or no cost involved; two, they are reliable; three, their information is rich and detailed. The connections between different groups, or structural holes, offer the possibility to build bridges among different groups (Podolny, 2001), nonetheless they also requires work to maintain and develop over various stages of entrepreneurship (Greve & Salaff, 2003).

Conversely, innovation may be hindered because actors tend to lock out from diversity as they spend time in similar cultural circles, frequenting similar places and interacting with similar others (Burt, 2000; Neil & Swedberg, 2005; Zhan, Bendapudi, & Hong, 2015). Such homogeneous group provides with reinforcement, opinion, information, resources (Burt, 2004) but at the same time, being part of a group contributes to build trust among the members (Hoang & Antoncic, 2003). As this happens within ethnic communities, migrant entrepreneurs are provided with support, creation of feeble market niches and employment opportunities by homogeneous members (Fullin, 2011; Kloosterman, 2010).

Two main components can be derived from the previous paragraphs: diversity is useful and trust is needed. Having social connections in one or various social contexts seems to be decisive to identify business opportunity, such as innovation (Solano, 2015; Vacca et al., 2018). At the same time, the embeddedness of entrepreneurs with reliable transnational or diaspora social connections allows a vital flow of resources and information. Recent research is trying to identify which combination of personal connections is more useful for developing and implementing innovative ideas (Herstad, 2017; Ladkin, Willis, Jain, Clayton, & Marouda, 2016; Vissak & Zhang, 2014). So far, the role of close personal contacts seems to provide emotional support but at the same time their homogeneity prevents disruptive and risky innovations.

## 4 The Position of Migrant Entrepreneurs in Relation to Categories of Innovativeness

Opportunities to innovate are given by a combination of the previous contributions: the attributes of novelty, the situation of the context(s) and the structure of social connections. The decision to innovate is influenced also by the personal characteristics of the economic actor, a migrant entrepreneur in this case. When an innovation is introduced, the adoption inside a social group takes an S-shape distribution with five ideal types of adopters: innovators, early adopters, early majority, late majority and laggards (Rogers, 2015). Matching migrant entrepreneurs to each ideal type need to be corroborated with empirical material, existing studies are used in this section. In the following lines, I follow these types of innovativeness to match existing cases of migrant entrepreneurs in a given time and location. The same group of migrant entrepreneurs who act in different time and location could be re-categorized accordingly to the innovations that are being studied.

#### a) Innovators

They are characterized as individuals with higher education, social status, and economic position who venture with risky ideas, cosmopolitan life style and gatekeeping role among different so-

cial groups (Rogers, 2003). For example, high-end technology of companies in Silicon Valley has been fuelled with the recruitment of migrants with specific skills at a global scale using ethnic connections among existing employees (Saxenian, 2002 & 2007). Using previous research, the transnational boundaries play a major role in the following case. In the research in Bangladesh with the case of Grameenphone there are the elements fitting this category (Rana & Elo, 2017). The founder belongs to a diaspora in the US and have ample migratory experience, high education and extended social capital. The founding partners managed to create an influential connection of actors around them to secure funding, local resources for operations, access to regional markets and institutional change. Combining forces, the innovation was introduced and a monopoly in the market was secured for a certain time and their role as innovators has shifted to managers of a big corporation.

b) Early adopters

Early adopters show stronger ties to the society, with a strong position as opinion leaders and usually consulted by others for advice (Rogers, 2003). They are able to decrease the uncertainty to adopt a new idea and act as role models to the rest of the social group. The case of *gelato* and *pizza* by Italian entrepreneurs in Frankfurt, Germany shows some of those aspects (Storti, 2014): both food products were known for German population so the strong ties to the local population facilitated the boom of shops from 1970s onwards. Meanwhile *gelato* was advertised as an authentic Italian product, *pizza* was adapted to include other local ingredients. The owners of the first ice-cream parlours used their position as opinion leaders among migrants of Northern Italy and recruited Italian staff based on ethnic connections. On the other hand, owners of pizzeria changed their products by using local products, hiring local native workforce and targeting a wider audience. New marketing strategies were mixed with conventional, at least for the German market, organisation of the companies. In this case, the product itself is something ordinary within the Italian migrant community, but the companies introduced new forms of labour organisation and used new marketing strategies to brand their *gelato* and *pizza*. While for co-ethnics, using German labour force involved new ways to organize their employees.

c) Early majority

Rogers (2003) refers to the early majority as those who weigh advantages and disadvantages when innovating and decide its adoption after testing. Being aware of that, they create barriers for those following after them to momentarily gain from that advantageous position. Migrant entrepreneurs who replicate successful ideas could fit this description. Examples of this kind of entrepreneurs are the Wenzhou migrants interacting with Italian culture (Zhang & Zhang, 2016). They were able to innovate in the production chain of garment — shoes, bags, furniture — with unique designs matched with the branding “Made in Italy”. They also introduced new distribution of raw material when using their ethnic contacts as well as used mixed strategies to recruit highly-qualified ethnic and non-Italian workforce. Migrant entrepreneurs accumulated work experience in those sectors and used their human and social capital to scale their businesses. The organisational model was quickly spread to other members in the ethnic group decreasing the novelty; though keeping ethnic barriers to keep their position against competitors.

d) Late majority

Rogers (2003) describes this group as adopters of innovation because of economic necessity, peer pressure or replication. Initially portraying a sceptical attitude towards the novelty, they are reached in later stages after the half of the population already adopted an innovation. At this point, the innovation is in a process of being notorious and replicative for the consumers. Because it is difficult to arbitrarily set a time frame of diffusion, historical cases provide a better perspective. As an example, the transnational shipping-transportation business between Eastern Europe and North Italy (Ambrosini, 2012). Entrepreneurs import ethnic goods to satisfy the needs of the migrant community as well as export products from the receiving country intended to the family of the migrant in the sending country. In the case of Italy, a group of Romanian entrepreneurs are described as being the pioneers of new distribution routes for people and

cargo in small, new and rapid vehicles between Northern Italy and Eastern Europe countries. Moldavian entrepreneurs took their place as a late majority who replicated the distribution model, though with less financial resources and less quality vehicles.

e) Laggards

Referred by Rogers (2003) as those who prefer traditions and are comfortable without change. Their resistance to innovate is usually given by a scarcity of economic resources and by an isolated position inside the social group. Marginal groups are often found as the last consumers of an innovation. The example fitting into this category could be the case of Ghanaians in the Netherlands (Kloosterman et al., 2016). Despite their high education, they share a marginal position combined with a lack of information in markets and regulations. As a consequence, they could not profit from business mentorship, nor a strong ethnic market, nor the know-how to deal with administration. Such circumstances have pushed them to lower-levels of the market, where replication of low-revenue business are common.

## 5 Conclusion

The starting point to study innovation is to look at the business idea over time and over geographical locations. That idea is connected to the three main building blocks that were used in this article: a) the attributes of an innovation, b) the social context where they were introduced and c) the network channels used for that purpose. Their combination allows us to assess the opportunities of an innovation to be introduced by migrant entrepreneurs. Their individual action is framed by the characteristics in terms of economic, social, cultural and political aspects.

Many migrant entrepreneurs display business ideas based on experiences from their country of origin, some of which are new business ideas for the social context of the country of destination and some are a mere replication of other entrepreneurs. Their level of innovativeness is subject to changes over time and over contextual boundaries: for example, it will be different when the point of reference is the membership to an ethnic community or the membership to a mainstream native group. (Innovative) business ideas inspired by migratory experience could also create opportunities for entrepreneurs in their own country to transfer knowledge and profit from being early adopter. The experience of migration becomes the source of inspiration in several aspects: innovative business ideas, develop of the individual characteristics and identification of opportunities in a given social context (Bosetti et al., 2015; Jensen, 2014; Saxenian, 2007).

The approaches of mixed-embeddedness and the model of diffusion of innovations complement each other with concepts used in the study of migrant entrepreneurs. On the one hand, extending the mixed-embeddedness approach is advantageous given its focus in the field of migrant entrepreneurship. Previous research can be used to re-evaluate the findings and frame them with the lens of diffusion of innovations triggered by migration. On the other hand, the model of diffusion of innovations contributes with typologies based on empirical evidence following the adoption of new products (Rogers, 2004). Starting from the description of the context, entrepreneurs who are innovators or early adopters are followed, in a S-shape distribution, by those who are less innovative. Furthermore, by adding a network perspective between social groups, more innovative entrepreneurs are (or are near to) key contacts who provide a higher speed of diffusion, diverse information and opportunities among distinct social groups (Burt, 2000). Usually those with higher levels of innovativeness have the tendency to understand social systems in different localities (Rogers, 2003), create trust, awareness and interest among groups (Burt, 2004), and join ideas from unrelated groups (Jones et al., 2012).

Innovation seems to be related to migrant entrepreneurs with high levels of human, social, financial and cultural capitals (Rogers, 2003). At the same time, opportunities to innovate seem to be identified in the differences in information and experience, among individuals with different level of education, past work experience or social status. Innovation from human capital is connected to a high level of education (Hunt, 2011; Kloosterman, 2010) or large work experience (Antonioli et al., 2009; Bosetti et al., 2015). Innovation using social capital has been studied from the effects of bonding with other innovative and heterogeneous people in their social connections, or the capacity to bridge information

across social groups (Betts et al., 2015; Burt, 2004; Saxenian, 2002). Innovation using financial capital usually described the availability of necessary monetary means for a test of new products or for research and development (Baumol, 2002; Rusinovic, 2008). Last, innovation from cultural capital refers to the capacity to adapt traditional or ethnic practices into innovative practices to another social group (Hovhannisyan & Keller, 2015; Zhang & Zhang, 2016).

This assemblage of existing theoretical models needs to be confirmed with further empirical material from multiple research methods (Dheer, 2018; Hoang & Antoncic, 2003). Separately, each of the building blocks have an extensive use of empirical research; but together, there is a need for a comprehensive case where all aspects are included. It was suggested that some studies could be disconnected from empirical material (Ram et al., 2017), therefore further empirical research will be able to confirm — or not — the innovativeness of migrant entrepreneurs and the opportunities to introducing innovations from the experience of migrating.

Following on the recommendation in the previous paragraph, the study of migration-related innovation in modern times could have a fertile ground when being related to services introduced by migrant entrepreneurs. Innovation was commonly studied in primary and secondary sectors of the economy, where tangible products are produced and manufactured (Bruland & Mowery, 2006; Malerba, 2006; von Tunzelmann & Acha, 2006). The nature of tangible products allows the traceability of their added value over time (Rogers, 2015), offering the possibility to study their changes over time and their adaptation to different geographical scenarios (Greve & Salaff, 2003). In contrast, the tertiary sector is harder to trace because most of the services are intangible (Miles, 2009). Services, ranging from low skills to IT-intensive sectors, are often combined with the preparation of a tangible or digital product and this interaction is hard to separate.

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