

**DIRECTORATE FOR EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS
EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS COMMITTEE**

**DELSA/ELSA/MI(2010)4
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**THE DETERMINANTS OF IMMIGRANT ENTREPRENEURSHIP AND EMPLOYMENT CREATION
IN PORTUGAL**

**ENTREPRENEURSHIP AND EMPLOYMENT CREATION
BY IMMIGRANTS IN OECD COUNTRIES**

**Conference organised by the OECD with the financial support of the Swedish Authorities and the Turkish
Authorities and the Dutch-Turkish Businessmen Association (HOTIAD)
OECD Conference Centre, 9 June 2010 - 10 June (morning)**

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JT03284485

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SUMMARY

Similar to what has been observed in many other OECD countries, the number of immigrant entrepreneurs has increased substantially in Portugal in recent decades and immigrants now have higher entrepreneurial rates than natives. Immigrants' entrepreneurial strategies go far beyond ethnic ones and can be quite diverse depending on the resources and opportunities the immigrant can access or the difficulties that they encounter in the host society. Not all immigrants groups have the same propensity to entrepreneurship, nor are the entrepreneurship rates and/or the employment created by immigrants in the country constant over time.

The paper provides a framework for identifying the determinants of immigrant entrepreneurship in Portugal and for explaining the variations in immigrant entrepreneurship among the different immigrant groups and in different periods. Three explanatory dimensions are emphasised: the Portuguese opportunity structure, the community entrepreneurial resources of each immigrant group, and the personal characteristics of the entrepreneur him/herself. However, not all three dimensions are necessarily present when immigrants set up an entrepreneurial activity, but only those which guarantee better outcomes for their economic purposes. Following the heuristic model, the entrepreneurial strategy is analysed as a creative process, where immigrant entrepreneurs are not seen as passive, but as actors who react to the opportunities and constraints with which they are confronted during the process of business creation.

To illustrate the identification of some relevant determinants and characteristics of immigrant entrepreneurship and job creation in the country, available statistical data on immigrant entrepreneurship in Portugal in the last decades are investigated.

The paper seeks to highlight, in particular, the relevant determinants of immigrant entrepreneurship that are linked with the host society opportunity structure, and, namely, the regulatory and institutional framework for immigrant entrepreneurship and for immigration in general, as well as the labour market in Portugal, over the last three decades. The analysis of the Portuguese opportunity structure shows how the regulatory and institutional framework can influence immigrants' choices in the labour market and the possibility of defining an entrepreneurial strategy. The evolution of the regulation and institutional framework also explains the fluctuations in immigrant entrepreneurship over time. The apparent distinct propensities for entrepreneurship among different immigrant groups identified in official data at different time periods may not correspond to different entrepreneurial vocations, but rather to constraints arising from the regulations in force in that period.

It is thus necessary, to understand immigrant entrepreneurship, to monitor immigration policies in general, and those relating to incentives for entrepreneurship in particular, as these are significant determinants of immigrant entrepreneurial strategies.

THE DETERMINANTS OF IMMIGRANT ENTREPRENEURSHIP AND EMPLOYMENT CREATION IN PORTUGAL

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1. In Portugal, as in other receiving countries, during recent decades immigrants achieved higher entrepreneurial rates than natives. However, a deeper analysis of official data makes it clear that not all immigrant groups have the same propensity to become an entrepreneur in Portugal nor the entrepreneurship rates and/or the employment created by immigrants in the country are constant in time. This paper aims to understand these tendencies throughout the identification of several determinants that frame the immigrant entrepreneurship. Three explanatory dimensions are emphasised: the Portuguese opportunity structure (considering, in particular, the interference of the legal framework and the labour market), the community entrepreneurial resources of each immigrant group, and the personal characteristics of the entrepreneur him/herself.

2. Portugal is neither an outstanding country of immigration nor an exceptional immigrant entrepreneurship context. Its net migration only becomes positive in the 1980s with the expressive arrival of flows coming from ex-colonies that acquired their independence in previous years. During the two decades that followed, studies on the insertion of immigrants in the Portuguese labour market highlighted, above all, the propensity for foreign population groups to be marginalised in the labour market, and to be connected with precariousness, the informal economy and the 'secondary' and/or unskilled market. Immigrant entrepreneurial initiative only becomes more visible later on, in the end of the 1990s.

3. In research on entrepreneurship and employment creation of immigrants, the Portuguese case is however interesting to analyse due to the fact that allows to underline important determinants that affect immigrants entrepreneurial behaviour in host societies and to highlight specific impacts of policies changes and of immigration flows. Against some classics in literature on the topic, it further allow to underline that immigrant entrepreneurial strategies go far beyond ethnic ones and/or can be quite diverse depending on the resources and opportunities that immigrants can have access to or the difficulties that they encounter in the host society.

4. Understand the entrepreneurial resources and opportunities that immigrant groups are able to capitalize in Portuguese society and in their communities further allow to better discuss the needs of policy and/or measures in this respect.

Immigrant entrepreneurship in Portugal: tendencies of the past three decades

5. Given that immigration flows in Portugal gained visibility essentially from the end of the 1970s, it is considered pertinent to analyse immigrant entrepreneurship during the last three decades. Over the last thirty years immigrant entrepreneurs have spread across Portugal, revitalizing commercial streets with new products, defining new marketing tactics and opening new economic links with other countries, proving to

be an important component of social and economic fabric sustaining civil society at the grassroots levels (Oliveira 2007, Oliveira 2008a).

6. By becoming entrepreneurs, immigrants acquired quite different roles to those immigrants who are employees and also to those mainstream entrepreneurs. By starting their own business, immigrant entrepreneurs created their own jobs and create job opportunities for others, alleviating unemployment. This allowed for some of them to circumvent several barriers that they may encounter in Portuguese labour market, and to contribute to the definition of bridges to other suppliers' networks, providing goods and services that native entrepreneurs are not likely to offer.

7. In order to provide a more in-depth analysis of immigrant entrepreneurship in Portugal this article will analyse available official data and will explore the determinants of the phenomenon in the country keeping in mind the impacts of the Portuguese opportunity structure, namely of the diverse policies implemented in the past decades, and the diverse characteristics of the immigrant flows that arrived through the years.

Official Sources and Statistical dilemmas

8. Similarly to what is observed in many OECD countries, entrepreneurial initiatives of immigrants have been increasing in Portugal. Between 2000 and 2005 the relative importance of foreigners in the total of self-employed workers increased from 3.6 per cent to 5.4 per cent (SOPEMI, 2007: 75). According to Portuguese Census data, between 1981 and 2001, both the number of foreign employers and the proportion of employers in the total of active foreigners increased (from 1,811 to 20,571 and from 5.1 per cent to 10.2 per cent, respectively). Furthermore, as has been observed in other OECD countries, the foreigners' entrepreneurship rates in the past decades have been always higher in the case of the total of active foreigners than in that of the total of active Portuguese population.

9. An annual rigorous evaluation and monitorization of the number of immigrant entrepreneurs in Portugal is, however, quite complex in view of the scarcity and dispersion of the statistical sources available and the difficulties in comparing data.

10. Additionally for statistical analyses purposes it is crucial to distinguish 'immigrants' from 'foreigners', as they represent different groups. As the 'immigrant' is defined as an individual who, having been born in a certain territory, migrated to another country where he or she ended up residing for at least one year (therefore the movement of changing territories in itself does not reflect the nationality of an individual); in contrast, the notion of 'foreigner' cannot be disassociated from that of nationality, meaning that any individual who has a different nationality to that of the country they reside in is a foreigner. As a consequence, not all foreigners are immigrants. Effectively there are individuals with foreign nationality who were born in Portugal and who do not have any experience of migration whatsoever. Hence a more accurate notion to be used to study the immigrant entrepreneurship phenomenon should be the one of 'immigrant', nevertheless in Portugal official data is only available according to 'foreign' nationality.

11. With these reservations in mind, it is possible to identify two distinct groups in order to estimate the number of immigrant entrepreneurs¹ in Portugal. Firstly, it is possible to estimate the number of foreigners who enter Portugal with the intention of undertaking a self-employed activity or creating a business - on the basis of the data on applications for residence permits to the Ministry of Foreign Affairs (MNE) in relation to the issuing of visas at consulates and the data on residence permits conceded per year put available by the Foreigners and Borders Service (SEF). Secondly, two official sources facilitate the

¹ For the purposes of simplification all employers and self-employed are considered to be entrepreneurs. For more details on the possible risks of this choice, see Oliveira (2004a: 32-33).

estimation of the stock of foreign entrepreneurs in Portugal: the General Censuses of Population by the National Statistics Institute (INE) and the statistical information collected from the companies' staff inquiries reported every year to the Ministry of Labour (*Quadros de Pessoal*). Although the Census data allows a full characterization of the universe of foreigners resident in Portuguese territory at a precise moment in time (including both foreigners with a legal and illegal status), according (among other variables) to their activity and economic situation, a clear inconvenience of using this source is that is only available every then years being the last year available 2001.²

12. On the other hand, the *Quadros de Pessoal* even though being an annual source in permanent actualization and putting available a significant number of variables related to enterprises and their workers, it has several other limitations. Among those should be mentioned that this source only collect information about the nationality of the employer and the employee since 2000. Furthermore this source has a lack of important information to characterise the universe of foreign entrepreneurs: do not collect data on every economic activities (it exclude the central, regional and local public administration, public institutes and the domestic work); some family employees, temporary and undeclared workers are not reported by the employers³; enterprises with at least one employee are only surveyed since 2002, and small enterprises and/or enterprises with fragile organization are under-represented because of its absence in reporting. Finally, because self-employed and/or enterprises without employees are not obliged by Portuguese law to answer to this survey they are also missing in this source. The impacts of these limitations are particularly clear if we compare the number of foreigner entrepreneurs surveyed in the 2001 Census with the number of foreign entrepreneurs reported by the 2002 *Quadros de Pessoal*: the first source counted 20,571 foreign entrepreneurs as the second only had available data on 2,780 foreign entrepreneurs (and even in 2008 that figure did not went beyond 7,489).

13. Keeping in mind that the quantifiable data available in these sources are not only far from allowing us to know the exact number of immigrant entrepreneurs in Portugal, but they also tend to present different results; they will be considered in this article for the purpose of supporting the identification of some relevant determinants of immigrant entrepreneurship and job creation in the country.

Foreign Entrepreneurs in Portugal

14. The number of foreign employers has increased substantially during the course of the last three decades (with rates of change that are significantly higher than those observed among Portuguese employers), an increase that has kept pace with the evolution of foreigners in Portugal (see table 1). Furthermore, taking into account the share of entrepreneurs in correspondent labour force, in the past decades foreigners have showed a greater propensity to become an employer than Portuguese natives.

² Furthermore, in any Census of Population there are additional problems related to the inquiry of immigrant population: there are situations of non-response associated with difficulties in filling in the form – for example among foreigners who have difficulty in understanding Portuguese -, or among foreigners in an irregular situation. Furthermore, according to the instructions for filling in the questionnaires for the Census of 2001, information on foreigners who had been living in Portugal for less than one year was not collected, meaning that all foreigners who arrived in the country after 12 March 2000 were excluded. For further details on Census limitations and its impacts on immigrant entrepreneurship characterisation see Oliveira (2008: 107-108).

³ Immigrants with an illegal statuses or working without contract in the enterprise are also (for obvious reasons) not reported in this survey.

15. However not all foreigner nationalities show the same propensity towards entrepreneurship (see table 2). The Africans and the Eastern Europeans are the groups with the lowest rates of entrepreneurship, as Asians (particularly the Chinese), Americans and the European Union citizens have the highest rates.⁴

Table 1 – Active Portuguese and Foreign Population, according to their professional situation, between 1981 and 2001

Professional Situation		1981		1991		2001		Rate of Change 1981-2001
		N	%	N	%	N	%	
Employers	Portuguese	130,051	3.1	267,757	6.2	467,553	9.8	259.5
	Foreign	1,811	5.1	4,438	7.7	20,571	10.2	1035.9
Self-employed	Portuguese	632,354	15.2	567,789	13.1	290,318	6.1	-54.1
	Foreign	3,188	8.9	6,561	11.4	9,173	4.5	187.7
Family workers	Portuguese	100,951	2.4	84,241	1.9	36,773	0.8	-63.6
	Foreign	513	1.4	1,058	1.8	987	0.5	92.4
Total	Portuguese	4,147,339	100	4,340,422	100	4,788,561	100	15.5
	Foreign	35,709	100	57,744	100	201,647	100	464.7

Source: Census, INE (calculations by the author)

Table 2 – Rates of Entrepreneurship according to the nationality between 1981 and 2001

Country of nationality	1981	1991	2001	Variation in Employers 1981/2001	Variation in Active Workers 1981/2001
Total Europe	12.0	13.3	9.9	2.9	3.7
Germany	16.1	13.8	17.7	3.7	3.3
Spain	15.0	18.4	11.6	0.2	0.5
France	7.0	5.4	10.2	9.9	6.5
United Kingdom	16.2	19.5	23.0	3.9	2.5
Ukraine			1.5		
Total Africa	1.1	3.4	6.7	22.9	2.8
Angola	1.2	3.4	6.6	25.5	4.0
Cape Verde	0.7	3.0	6.4	17.3	1.1
Guinea-Bissau	1.9	2.9	6.2	107.2	32.1
Mozambique	3.0	5.9	9.1	8.0	2.0
S. Tomé and Príncipe	0.2	2.6	6.0	304.0	9.4
Total America	5.1	8.8	13.6	13.9	4.6
Brazil	4.8	9.5	13.5	20.7	6.7
USA	8.5	8.3	12.3	1.7	0.9
Venezuela	3.9	7.7	13.8	11.3	2.5
Total Asia	9.8	21.3	19.1	10.6	5.0
China	22.2	24.1	36.0	31.4	19.0
India	7.9	17.6	7.6	11.3	11.7
Pakistan	17	30.7	6.3	0.9	4.2
Oceania	1.8	9.4	14.2	20.0	1.6
Foreigners	5.1	7.7	10.2	10.4	4.6

⁴ the Rate of Entrepreneurship calculated corresponds to the number of employers in every 100 active people.

Portuguese	3.1	6.2	9.8	2.6	0.2
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Source: Census, INE (calculations by the author)

16. The analysis of the proportion of employers of each nationality in the total of foreign employers also brings to light the proportion of certain immigrant flows to Portugal. Table 3 shows that although nationals of the Portuguese-speaking African Countries (PALOPs) are among the nationalities with the lowest rates of entrepreneurship (according to Table 2) – that is, the majority of their active population are inserted in the Portuguese labour market as salaried workers -, their relative importance in the total number of foreign employers has increased over the years, in particular in the case of Cape Verdeans and Angolans. On the other hand it is important to observe the loss of relevance of European Union employers during the course of the last three decades, in particular the Spanish and the English (see Table 3).

17. The great relevance of Brazilian employers, consolidated over the last decades, should also be emphasised. This group, according to the data from the 2001 Census, became the foreign nationality in Portugal with the highest number of employers, with the relative importance in the total number of foreign employers increasing from 7.9% in 1981 to 15.1% in 2001 (see Table 3). In Table 2 the increase in the rates of entrepreneurship among Brazilians was also evident, as the employers had a growth rate superior (20.7%) to the actual variation in the total active population (6.7%).

Table 3 – Ten nationalities with highest rate of employers in the total number of foreign employers, in 1981, 1991 and 2001

1981		1991		2001	
Nationality	%	Nationality	%	Nationality	%
Spain	26.2	Brazil	13.4	Brazil	15.1
England	8.2	Spain	10.1	Angola	7.2
Brazil	7.9	England	8.4	Cape Verde	6.7
Fed. Rep. Germany	7.3	Cape Verde	6.8	France	4.0
France	4.2	Germany	5.5	England	3.6
Cape Verde	4.1	France	4.9	Germany	3.3
United States	3.1	Venezuela	4.2	Guinea-Bissau	3.2
Angola	3.1	Angola	3.6	China	2.8
Italy	3.1	Netherlands	3.0	Spain	2.7
Netherlands	2.3	Mozambique	2.0	Venezuela	1.9
Total foreign employers	1811	Total foreign employers	4438	Total foreign employers	20571
Total active foreigners	35709	Total active foreigners	57744	Total active foreigners	201647

18. The different propensity for entrepreneurship among different foreign nationalities is not only observed in those who are already residing in the country, but also in the new flows of entrance, as showed by the data on the visas conceded in the past decades to foreign entrepreneurs and self-employed. Until 2007 the Portuguese regulatory framework did not define any special statues for entrepreneurs. According to the Portuguese immigration act that was in place between 1998 and 2007, immigrants that intended to have an independent activity in the area of service provision in Portugal could apply for a type III work visa and those who wanted to define an entrepreneurial activity should apply for a residence visa as any other salaried worker.

Table 4 – Number of Working Visas granted by Portugal between 1999 and 2006

Working visas granted by Portugal	Total Foreigners		
	Total	Type III Visa	
		N	%
1999	1,931	443	22.9
2000	3,372	545	16.2
2001	3,024	380	12.6
2002	2,605	546	21.0
2003	2,761	300	10.9
2004	2,769	336	12.1
2005	3,054	207	6.8
2006	6,735	404	6.0

Source: Ministry of Foreign Affairs

19. On the basis of Ministry of Foreign Affairs (MNE) data (see Table 4) it is of note that the proportion of foreigners who entered Portugal with a type III working visa has been in decline, representing in 2006 just 6% of the total working visas granted. This trend is reproduced in the actual professional situation of foreigners resident in Portugal (predominantly in salaried activities). Despite the importance of these visas being relatively limited, it is interesting to verify the over-representation of some nationalities: on average, Brazilians represent around 53% of the total of type III working visas granted between 1999 and 2006, having represented 67% in 1999. The specific flow of this nationality towards some economic sectors is therefore evident, where highly-skilled self-employed workers predominate, in professions such as the publicity and IT sectors.

20. Apart from these entry flows, attention must also be given to the number of foreigners who request the status of resident for the purposes of an entrepreneurial activity (see Table 5). These data, disseminated by Foreigners and Borders Service (SEF), make it possible to estimate some of the changes in the socio-economic characteristics of the foreign population who seek to reside legally in Portugal. It is seen that from 2002 there has been a decrease in the number of foreigners who requested residence status to start a business or become self-employed. As will be discussed in the following section of this article, this inversion was without a doubt related to some changes in the regulatory and policy context of Portugal that affected directly or indirectly the foreigners' entrepreneurial initiatives.

Table 5 – Foreign population who requested residence status, according to professional situation, between 2000 and 2005

Year of Arrival in Portugal	Professional Situation				Total Active
	Employers		Self-employed		
	Total	%	Total	%	
1999	312	7.7	193	4.8	4,058
2000	532	6.8	357	4.6	7,835
2001	495	8.4	400	6.8	5,874
2002	407	8.7	333	7.1	4,695
2003	347	8.4	284	6.9	4,122
2004	321	5.4	215	3.6	5,989
2005	318	6.8	207	4.4	4,691

Source: SEF Statistical Reports

21. In 2007 several changes in the Portuguese regulatory context (e.g. new immigration act that defined for the first time a special title accessible only for entrepreneurs) produced several changes in the collection of data on foreigners entering in Portugal with the purpose of defining an entrepreneurial activity. Within this new legal framework and according to MNE data, the number of foreigners that acquired a residence visa for an entrepreneurial activity in Portugal did not go beyond 2% of the total legal immigrant flows to Portugal in the past three years (see table 6). As in the past, the Brazilians outstand representing around 60% of the total visas accorded to foreigner entrepreneurs.

Table 6 - Residence Visa for Entrepreneurs and Self-Employed given by the Portuguese Embassies and Consulates under the Immigration Act of 2007

Nationality	Post August 2007		2008		2009	
	N	% by Total Residence Visas conceded to that nationality	N	% by Total Residence Visas conceded to that nationality	N	% by Total Residence Visas conceded to that nationality
Brazil	81	5,7	178	5,7	112	4,4
China	0	0	21	1,7	16	1,3
Russia	11	26,8	15	15,6	12	9,5
Ukraine	6	0,9	11	0,9	10	1,3
Total	116	1,8	278	1,9	199	1,6

Source: Ministry of Foreign Affairs - MNE (author's calculations)

22. Also according to SEF data on authorizations of residence given to entrepreneurs and self-employed foreigners, Brazilians appeared as the top nationality representing in the past two years more than 73% of foreigners that acquired that condition. The economic crises seem to be affecting, however, the foreigners' investment since these flows are decreasing.

Table 7 - Authorizations of Residence given to entrepreneurs and self-employed foreigners

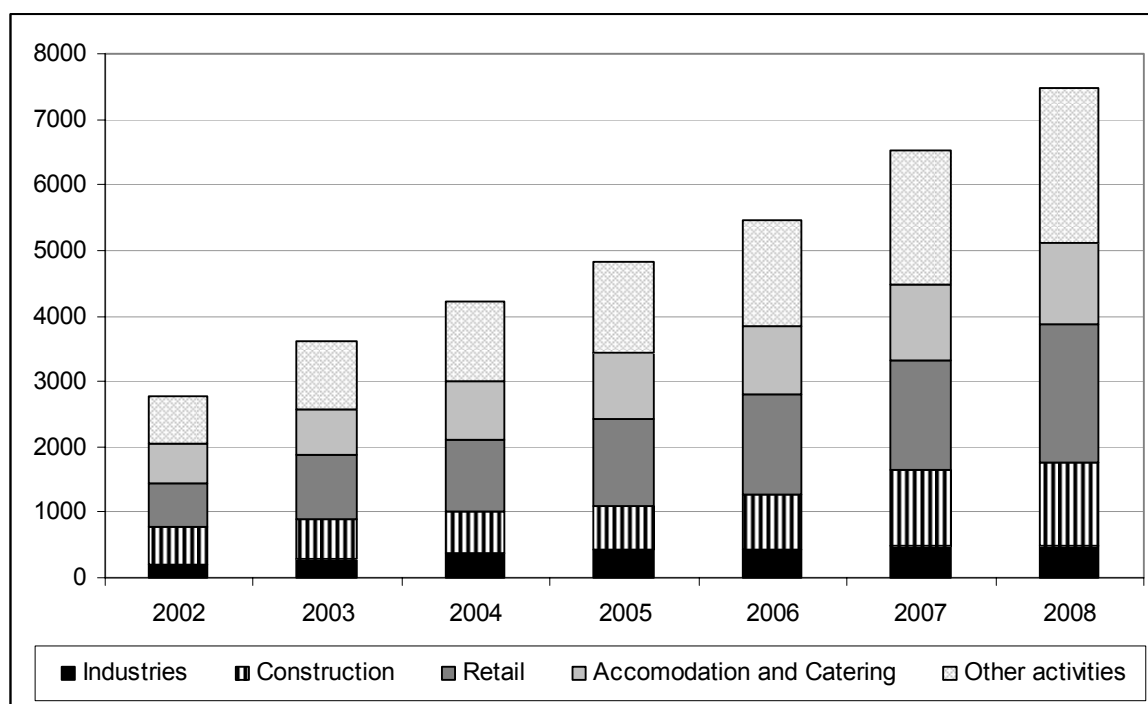
Nationality	post August 2007		2008		2009	
	N	% by Total Residence Authorizations given to entrepreneurs	N	% by Total Residence Authorizations given to entrepreneurs	N	% by Total Residence Authorizations given to entrepreneurs
Brazil	10	41,7	464	73,5	334	74,2
China	6	25,0	24	3,8	23	5,1
Russia	0	0,0	20	3,2	9	2,0
Ukraine	2	8,3	21	3,3	12	2,7
Cape Verde	0	0,0	9	1,4	6	1,3
Total	24	100	631	100	450	100

Source: SEF Statistical Reports

23. According to *Quadros de Pessoal*' data, foreign entrepreneurs in Portugal are mainly concentrated in the economic sectors with low barriers of entry often in terms of capital outlays and required educational qualifications, and where production is mainly small-scale, low in added value and very labour-intensive. Although there are also reports of notable cases of successful immigrant entrepreneurs out of those sectors (Oliveira 2005), similar to what has been observed in other countries

(Kloosterman and Rath, 2001) foreign entrepreneurs in Portugal seem to be funnelled towards sectors at the lower end of the market (e.g. construction, retail, catering – see figure 1).

Figure 1. Foreign entrepreneurs according to economic sector, between 2002 and 2008



Source: Quadros de Pessoal, Ministry of Labour

24. The nationality seems to explain the foreign entrepreneurs' distribution in economic sectors. In 2008, accordingly to the same source, about 77.7% of the Chinese entrepreneurs registered were integrated in the trade sector and 19.6% in catering; as Cape Verdean entrepreneurs (and other PALOPs), Ukrainians and Moldavians were mainly concentrated in construction sector (64%, 48% and 74%, respectively). In contrast with those nationalities, Brazilians showed a more diverse investment pattern - 21.3% were incorporated in construction, 15.6% in trade, 15.2% in health sector and 14.7% in catering.

25. It is also within these sectors that work experience is accumulated in the Portuguese labour market. In a survey undertaken with 704 immigrant entrepreneurs in Portugal, the majority of the entrepreneurs declared that invested in the same sector where they worked before as a wage earner – 51.4% Cape Verdeans worked and invested in construction, while 64.7% Chinese worked and invested in the catering industry (Oliveira 2005: 140).

26. The existence of relatively low barriers to setting up a business in these traditional sectors (retail, catering and construction) also explains the 'ethnic' differentiation of the Portuguese labour market. Moreover, as Rath (2002: 13) argues, the sector in which immigrants invest is also a consequence of the resources that they can collect: more or less capital (financial and social) and more or less labour, define different types of possibilities. Thus, because those activities do not need too much capital or specific skills, the investment become more flexible.

27. Immigrant entrepreneurs venture in Portugal is been mainly throughout the development of small and medium enterprises (SMEs). In 2008, about 83.5% of the foreign entrepreneurs registered in *Quadros de Pessoal* had an enterprise with between 1 and 9 workers. This figure is slightly below to the 85%

observed to the native entrepreneurs listed in the database, which reflects that foreigners are contributing to employment growth in Portugal.

28. According to the nationality of the entrepreneurs the rate of SMSs varies: the Chinese are the foreign nationality with the highest percentage of enterprises with no more than 9 workers (95%), as the Cape Verdeans and Moldavians have the lowest percentage (68% and 71%, correspondingly). Both the last nationalities have 27% of enterprises with between 10 and 49 workers, as Brazilians and Chinese have only 13% and 5%, respectively. This reflects the economic activities where these entrepreneurs are incorporated in, as construction is a more labour-intensive sector than trade. Furthermore, as will be further analysed in this article, it reflects different entrepreneurial strategies among the foreign groups – as Chinese are mainly employing co-ethnics and relatives in their small firms in Portugal, the majority of Cape Verdeans do not have any cultural or affective link with their workers, but employed them according to their needs (Oliveira 2005: 131-133, Oliveira 2007: 75-76).

29. In view of these identified tendencies does it mean that immigrants do not have homogeneous conditions for entrepreneurship in Portugal? These data should not be read in a simplistic way in because several factors influence the characteristics and/or the oscillation between greater and lesser propensity of certain immigrants venture in an entrepreneurial strategy. The following sections of this article emphasises the determinants and explanatory factors to immigrant entrepreneurship in Portuguese context.

The determinants of Immigrant Entrepreneurship: the Portuguese case

30. Immigrant entrepreneurship has been incorporated in academic research since the 1970s. This reflects in itself the growth and economic impact of immigrant entrepreneurial activities in different host contexts. Several arguments have emerged to explain why certain immigrant groups are more entrepreneurial than others. The main contributions emphasise two explanatory dimensions. One dimension takes into account the characteristics of the immigrant community and another highlight the influences of the host context, including economic, social and institutional spheres.

31. The first explanatory dimension is founded on the idea that entrepreneurial behaviour is a consequence of specific cultural motivations and of solidarity within the community. In this context the importance of certain family and ethnic resources is emphasised (Light and Gold 2000). However, evidence from other research conducted has indicated that analyses based purely on cultural attributes and ethnic resources are responsible for the stereotyping of different immigrant groups. Furthermore, differences in entrepreneurial rates among identical ethnic groups in diverse countries and cities confirm the necessity of finding other explanatory variables (Oliveira 2007: 62).

32. Bearing in mind some of the criticisms aimed at the former explanatory models, new arguments have appeared that take into account the influence of both the opportunities and the constraints of the host contexts in the immigrants' definition of entrepreneurial strategies. Several researchers have highlighted the phenomenon of entrepreneurial behaviour as a reaction by immigrants to discrimination or unemployment in the receiving country's labour market, or even to obstacles to accessing opportunities for upward social mobility (Ward and Jenkins, 1984, Aldrich and Waldinger, 1990, Jones et al. 2000). Furthermore, the policies of the host context - including the banking system and regulatory and institutional frameworks - can also imply different opportunities or constraints that affect immigrants' options in the host labour market. In other words, immigrants can only become entrepreneurs if they have the opportunity to do so.

33. The study of immigrant entrepreneurship all over the world has shown that these explanatory dimensions are not mutually exclusive. Immigrant entrepreneurial strategies are the result of the combination of several factors and not only the result of ethnic resources (Waldinger et al. 1990,

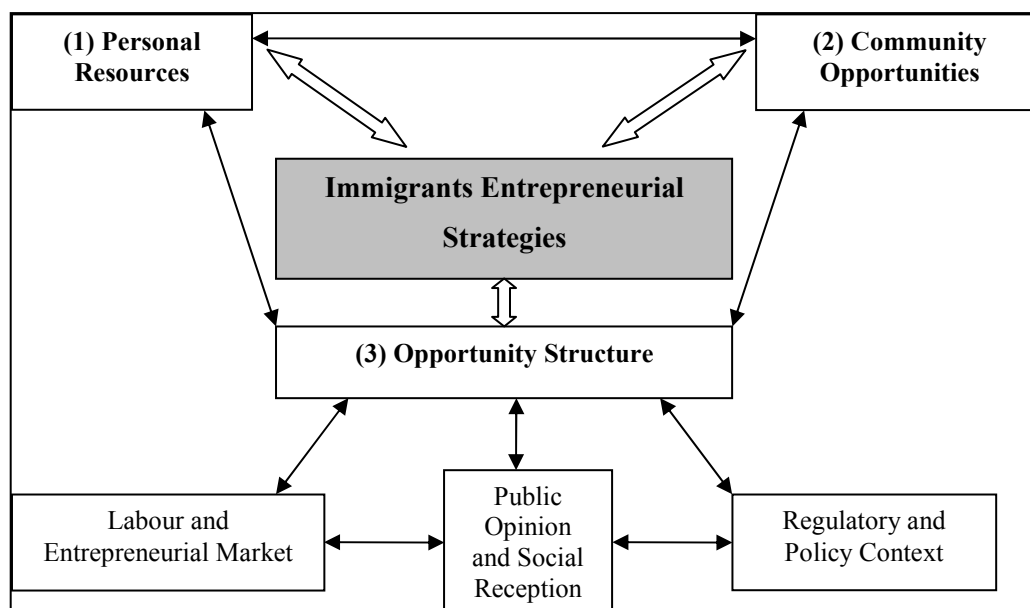
Kloosterman and Rath 2001, Oliveira 2007). In this context, several models have been developed, taking into account both the influence of the opportunity structures of the host societies and of the immigrant community's resources. The interactive model of Waldinger, Aldrich and Ward (1990) was the first effort at a multidimensional approach. The authors argued that group characteristics should be considered in their interaction with an opportunity structure. Therefore immigrant entrepreneurship was explained in accordance with the relationship between supply and demand, that is, what customers wanted to buy and what immigrants could provide.

34. Later, Kloosterman and Rath (2001), in a critical overview of research on immigrant entrepreneurship, provided an even more wide-ranging explanation with the *mixed embeddedness* hypothesis. The authors suggested that immigrant entrepreneurship is a much more complex field than analyses of supply and demand indicates, stressing that the opportunities on the demand side have to be accessible for aspiring entrepreneurs.

35. Even though Kloosterman and Rath recognised that immigrants' embeddedness in cultural, social, economic and political spheres is quite complex and can be relatively diverse, they did not take into account that immigrants do not necessarily mix all spheres in which they are embedded to define entrepreneurial strategies (Oliveira 2007:63). On the other hand, not all immigrants have access to the same resources and opportunities in defining their entrepreneurial activity (Oliveira 2005).

36. Therefore the definition of an entrepreneurial strategy is a creative process that can underline different economic strategies, depending on the combination of resources and opportunities chosen or to which immigrants have access to. Immigrants do not necessarily bring together all spheres of their embeddedness (cultural, social, economic and political) in setting up an entrepreneurial activity, but only those that guarantee better outcomes for their economic purposes.

37. Taking all of this into account, the analysis that will be undertaken in this article is based on the heuristic model created in previous research conducted in Portugal. This summarises the most relevant explanatory elements - and their relationships with each other - in the definition of immigrant entrepreneurial strategies in host contexts (Oliveira 2005, Oliveira 2007). The model follows other attempts to show that there are no random factors in immigrant entrepreneurship and aims to reflect the resourceful dealings that immigrants establish within the context of their personal resources, social networks and structural opportunities, with the aim of defining entrepreneurial tactics (see figure 2).

Figure 2. The main components of entrepreneurship⁵

38. Viewed within this model, immigrant entrepreneurs are not seen as passive, but as actors who react to the opportunities and constraints with which they are confronted during the process of business creation. Furthermore, bearing in mind that opportunities are not necessarily obvious or transparent to all actors, nor are they available to all individuals or ethnic groups, these theoretical hypotheses consider that immigrant entrepreneurial strategies are a result of negotiation, adaptation, imagination and even reproduction of entrepreneurial options already pursued by others.

39. The application of this heuristic model to immigrant entrepreneurs in Portugal (Oliveira 2005) highlighted the fact that immigrant entrepreneurial strategies emerge from an inventive and lively interaction of three different components:

1. the individual with his or her *personal resources*. These personal resources include predisposing factors to entrepreneurship such as savings, education, entrepreneurial and work experience, age, legal status in the receiving country, language skills, migratory experience and ambitions.
2. the immigrant community, that is, the social networks in which immigrants are embedded and their resources. The importance of *ethnic or community resources* to immigrant entrepreneurship has been highlighted by several authors.⁶ These resources include financial support, labour, consumers, suppliers and advice based on the community's entrepreneurial experience.
3. the host society, including both the labour market, the policy and the regulatory framework, and public opinion. In other words, this component emphasises the *opportunity structure* that immigrants find in the receiving country. To do well in business, immigrants have to find openings in the entrepreneurial market, no constraints in the receiving country's regulatory regime and no negative public opinion, especially if their business is dependent on native customers.

⁵ Adapted from Oliveira (2005: 43) and Oliveira (2007: 66).

⁶ For further detail see Light and Gold (2000).

40. The absence of opportunities in either one or two of these components does not necessarily mean that immigrants will not develop an entrepreneurial strategy, since they can also rely on only one strong source of resources. However, the lack of certain key resources can affect the levels of profit or success of the business. As will be shown in further detail, this is particularly true to immigrant entrepreneurs in Portugal whom have been significantly affected by the Portuguese opportunity structure at certain periods of time.

41. It is important to take into account that resources and opportunities that immigrants have access to the definition of entrepreneurial strategies are not necessarily constant in time or space. The change of a policy or a certain incident that generates negative or positive public opinion on immigration - or about a certain ethnic group -, for example, can define clear alterations in the opportunity structure for immigrant entrepreneurship. In sum, the interaction and flow of resources between these three components is the vibrant core of the explanation as to why some immigrants develop entrepreneurial activities and others are not able to do so in certain periods of time (Oliveira 2008b).

42. In this context, although the importance of ethnic entrepreneurial opportunities (being associated to some immigrant groups rather than others) is recognised, and also explaining the greater propensity for entrepreneurial initiatives; this article seeks to highlight, in particular, other relevant determinants of immigrant entrepreneurship that are namely linked with the host society opportunity structure. The analyse of the Portuguese immigration policy and labour market, and its impacts on immigrant entrepreneurship during the course of the last three decades, is particularly useful to monitoring policies impacts in immigrant entrepreneurship and its ultimate impact in immigrants role to economic growth and employment creation in host societies.

43. As Waldinger has pointed out, “immigrants will not go into business unless there are opportunities (...)” (1989: 71). In other words, it is essential to correlate the immigrant entrepreneurial rates identified before with the actual opportunities and possibilities that immigrants have to define an entrepreneurial strategy in Portugal.

Portuguese Opportunity Structure

44. The vicissitudes of immigrant entrepreneurship during recent decades equally reflect some of the characteristics of the political, legal and institutional context and developments in that area over time. According to the development of the legal framework and Government policies, the moment of arrival of immigrants determines the different opportunities and constraints in insertion into the Portuguese labour market, and entrepreneurial initiatives themselves.

45. A clear orientation towards flows of unskilled and/or labour migration destined to fill vacancies in the Portuguese labour market has, during recent years, been altered to reflect an increasing interest also in skilled immigrants and entrepreneurs. Immigrant entrepreneurial initiative in particular came to be perceived not only as an alternative to the insertion of immigrants into the Portuguese labour market – sometimes in situations of social exclusion, discrimination, over-qualification or long-term unemployment -, but also as a way of facilitating social mobility among some immigrants and of creating new jobs (Oliveira, 2004a). Therefore the perception of the potential of immigration became evident in the country through numerous initiatives, measures, programmes and projects of a Governmental, private, third sector or mixed nature.

46. In this context, and seeking to better understand what is behind the statistical trends identified above, the impacts of the legal and regulatory frameworks are analysed. From the analysis undertaken, it is possible to identify three periods in the Portuguese legal framework that have impacted upon the evolution

and changes in immigrant entrepreneurial initiatives: the first period essentially covers the 1980s and 1990s, until 1998; the second, from 1998 to 2007; and finally, the third period from 2007 on.

Between 1981 and 1998

47. During these two decades immigration policy was particularly orientated around the needs for salaried work of certain segments of the Portuguese labour market. The construction sector was particularly dynamic and needing for foreign labour due to several major public works co-funded with EU funds (e.g. motorways across the country, a new Lisbon bridge, International Exposition in Lisbon – Expo 98). In order to respond to these labour requirements, in 1997 it was signed a new protocol with Cape Verde for the entry of temporary workers and two periods of extraordinary regularisation (in 1992/93 and 1996) also supported the intensive demand of labour. In other words, the Portuguese State did not define during this period any particular policy to attract immigrant entrepreneurs, but instead defined a policy of incentivising immigration flows that could respond to the labour needs of the country, specially coming from PALOPs. It is therefore not surprising that low entrepreneurial rates were observed mostly during this period to these nationalities (see Table 2).

48. This tendency further reflects the ethnic segmentation of the Portuguese labour market defined in the past decades (Baganha et al. 2000). While Africans, and particularly Cape Verdean immigrants, came to Portugal in the 1960s as part of a governmental labour force recruitment programme aiming to meet shortages in specific segments of the labour market (specially the construction sector); Asians and South American immigrants start arriving in the mid-1980s, when Portugal was starting to be recognised as an immigrant country and was about to become part of European Union.

49. Therefore in analysing the immigrant entrepreneurship rates it is essential to consider the dynamics of the opportunity structure. As immigrants coming from PALOPs dominated the Portuguese immigration panorama until the 1990s and they were mainly responding to the needs for salaried labour in the least qualified sectors of the Portuguese labour market, it is justifiable the relatively low entrepreneurial behaviour among immigrants in the country until then.

50. The Labour Law in force in Portugal until 1998 proved also to be a potential inhibitor of immigrant entrepreneurship particularly to entrepreneurs dependent on co-ethnic employees, given that it required that firms with more than five workers (even if they were unpaid) had at least 90% Portuguese workers on their staff. Taking in consideration that the entrepreneurship of some non-EU nationalities normally depends on co-ethnic workers, as it has been widely demonstrated in international literature⁷, thus this norm inhibit and constrained some formally declared entrepreneurs. The Chinese entrepreneurship of this period highlights the consequences of this law, only emerging as the top ten nationalities with the highest number of employers in 2001 (see Table 3).

From 1998 to 2007

51. The changes in the Portuguese opportunity structure verified at the end of the 1990s led, in turn, to an increase in the relative importance of foreign employers, even in immigrant groups that previously had not particularly stood out in entrepreneurship (e.g. citizens from PALOPs – see again Table 3). Two new legislations defined in the end of the 1990s – a new Immigration Act (Decree-Law no. 244/98 of 8 August) and a new Labour Law (Law no. 20/98 of 12 May) – created further implications for immigrant entrepreneurship in Portugal in this second period.

⁷ Salinger et al. (1990), Light and Gold (2000), Oliveira (2007).

52. In this decade immigration almost doubled and there was a densification of immigrants' legal statuses. The granting of permits that did not allow immigrants the possibility of developing entrepreneurial activity in the country was created and reinforced, being the work visas (highly promoted) granted in accordance with an annual prediction of employment opportunities defined in the annual reports composed by the Institute for Employment and Professional Training (IEFP) and approved by the Government. The immigrant entrepreneurs legal status were not directly conditioned by these annual job quotas, although their employment needs had to be declared to the IEFP and indirectly becoming more difficult to contract co-ethnics (Oliveira 2005:81).

53. Between 1998 and 2007, only two legal conditions make it possible to immigrants to develop an entrepreneurial strategy – the 'resident permit' and the 'type III work visa', - being reduced their granting. Immigrants that were identified exercising an independent or entrepreneurial activity without the proper title were subject to fines of between €300 and €1,200. The granting of a resident visa for an entrepreneurial activity was contingent on the presentation of a document proving the registration of an investment operation in Portugal and a document proving that the immigrant had competences to exercise it. In other words, the immigrant had to set up an enterprise or legalise the statutes of their entrepreneurial activity in Portugal before actually requesting the residence visa.

54. For those who were already in Portugal, in order to become an entrepreneur and/or be able to convert the previous legal status of a salaried activity, several requirements were defined (Oliveira 2008: 116). In the case of immigrants with a work visa (different from type III work visa) they had to wait three years to convert their visa into a residence permit to develop an entrepreneurial strategy or had to leave the country and request in a Portuguese consulate a new authorization to come to Portugal with that entrepreneurial aim (Oliveira 2004a: 74). For those who held a 'stay permit'⁸ (around 183,833 immigrants – more than one third of the immigrant population of this period) had to proof to have a job contract and renew the title for five years uninterruptedly before being able to get a residence permit and aspire to set a legal business in Portugal. Associated with this restriction the law defined an interesting contradiction: these immigrants could not create their own job or job for others, but if they became unemployed they could register at an employment centre and benefit from an unemployment subsidiary. This situation affected in particular the Ukrainians and Brazilians, who represented 35% and 21%, respectively, of the total foreigners with stay permits between 2001 and 2004. Within this framework it is possible to explain the low entrepreneurial rates among Ukrainians in 2001 (see Table 2).

55. In 1998, the Labour Law was also changed, disappearing the obligation to have a minimum percentage of Portuguese workers. This alteration had impact in the economic situation of certain immigrant groups. As shown in Table 5, between 1999 and 2000, there has been an increase in the number of foreigners who have requested residency in Portugal with the intention of setting up a business (from 312 to 532 requests) or be self-employed (from 193 to 357). Also, in Table 1 it is evident the increase in the number of immigrant entrepreneurs from 1991 to 2001: while Portuguese employers had a rate of change of 42.7% in ten years, foreigners had a rate of change of 78.4%. If we take into account, as mentioned before, that some immigrant entrepreneurs depend on co-ethnic labour, then this new law had important and positive consequences for immigrant entrepreneurship.

⁸ The 'stay permit' was a status created in 2001 with the objective of regularising employment relationships with immigrants that were already in Portugal on an exceptional basis. The holders of this legal status had to renew it every year for a maximum of 5 years and to do it so had to have a labour contract. This legal condition dominated a substantial part of immigrant flows at the turn of the century in Portugal.

From 2007 on

56. Since 2007 further changes took place at the level of policies of management of flows and integration policies, with important consequences for immigrant entrepreneurship in Portugal. For the first time, the Immigration Act (Law 23/2007 of 4 July) foresees a distinct regime for granting residence visas to immigrant entrepreneurs and in the Plan of Action for Immigrant Integration 2007-2009 (Resolution of the Council of Ministers n°. 63-A/2007) the importance of reducing barriers to immigrant entrepreneurs was recognised, defining measures for incentivising entrepreneurship.

57. Among the intervention commitments defined in the Plan there were two specific measures – incentivising immigrant entrepreneurship (measure 13) and the promotion of employability and entrepreneurship among immigrant women, namely through access to education and professional training (measure 116). Under measure 13 was created a support office for immigrant entrepreneurs in the National Immigrant Support Centres (the Portuguese one-stop-shops for immigrant integration) where support services and consultancy on setting up entrepreneurial initiatives, provided and opportunities and incentives are disseminated, and individualised follow-up services are to be provided for the entire bureaucratic process associated with setting up a business in Portugal. During the year 2007 the office provided a service to 186 potential entrepreneurs, representing twenty-seven nationalities and in 2008 the service was provided to 150 clients. Although the low number of people who were provided with a service at the office should be noted, it is important to mention the over-representation of Brazilian immigrants (38%) and Ukrainians (13%), followed by Russians, Moldovans, Angolans, Guineans and Mozambicans. These seven nationalities in total represent around 76% of the clients of the office, confirming that support services of this nature are mainly a response for immigrants who have the most difficulties in getting together the resources to develop an entrepreneurial activity and/or presents the lowest rates of entrepreneurship in Portugal (see Table 2).

58. The fact that this services are provided by cultural mediators that speak the language of the immigrants should stimulate the growth in the number of users that the office receives. This characteristic of the office is particularly relevant because some immigrant entrepreneurs tend to slip into informality because they do not know the rules or because of some difficulties associated with the condition of being an immigrant, such as not knowing the language and/or understand the bureaucratic procedures defined by the Portuguese Law (Oliveira 2004a:126, Oliveira 2005:81-82).

59. The Immigration Act that is in place simplified the system of admissions and residency of foreigners into a single type of visa with various purposes for granting residency, including a special situation for immigrant entrepreneurs. Those who came to Portugal to develop an entrepreneurial activity need to prove their investment operations in the country or prove that they have financial means in Portugal. The characteristics of the investment, its nature and duration should be specified to the residence visa application and be subsequently assessed on the basis of the economic, social, scientific, technological or cultural relevance of the investment.

60. For immigrants who are already in Portugal and seek to convert their professional situation from salaried workers to entrepreneurs, the law foresees the granting of a residence permit for exercising and independent professional activity, but is remiss for entrepreneurial activities. The law defines that a foreign citizen exercising an independent activity without the proper resident permit can be punished with a fine of €300 to €1,200. Hence within the present legal framework an immigrant in Portugal has two possible ways of changing from salaried work to entrepreneurial activity: the first is return to their country of origin and request a residence visa for that purpose; the second is to make an application to the Foreign and Borders Service (SEF), of an exceptional nature, and which would be analysed on a case-by-case basis.

61. Therefore, even though immigrants do not have to wait a minimum period in order to change their professional situation (as was inferred from the previous law for some permits), it seems that the present regime has been further complicated in this aspect with the residence permit not having the same character or the previous coverage in relation to flexibility in changing professional situation. This situation can evidently create important implications for immigrant entrepreneurial initiatives as, in the majority of cases, immigrant entrepreneurs develop their entrepreneurial strategy only after some time residing and/or working for an employer in the receiving society.⁹ On the other hand, the current legal framework can potentially lead in the short term some immigrants who are unemployed to perceive that is easier to benefit from unemployment subsidiaries, since they are not able to immediately convert their legal status and create their own job.

62. It should be pointed out that the immigrants with the lowest rates of entrepreneurship are also the groups that are the larger foreigner recipients of unemployment benefits, according to Portuguese official data from IEFP (mainly African and Eastern European citizens). In other words, immigrants that are benefiting more from resources made available by the Portuguese welfare state tend to have less entrepreneurial initiative. Hence, it should be discussed whether those resources are also decreasing the entrepreneurial motivation of certain immigrant groups, mainly because, in case of exclusion from Portuguese labour market, it becomes less risky to stay legally in the country through benefiting from subsidiaries than by creating a business.

63. The regulatory context in force has also some important implications in relation to the contracting of immigrant workers by immigrant entrepreneurs (or any other entrepreneur). Although (as before) the immigrant entrepreneur has to respect the priority principle set out in the law, that is, to always declare their job offer at the IEFP in order for it be possible to identify whether there exist workers with the required characteristics in Portuguese territory, this should now be determined within the space of thirty days. This is an important change for immigrant entrepreneurs given the fact that it can be expected that there will be a shorter waiting time for the confirmation of the existence of workers in Portugal that fulfil their needs, after which they can select workers from their country of origin, which will subsequently be scrutinised by the Portuguese Consulate.

64. In sum, although it is identified that today the importance of immigrant entrepreneurship is recognised in the Portuguese policies, it is important to keep monitoring the implications that the regulatory and institutional framework have at the level of immigrant entrepreneurial initiatives, in a general form, and for some nationalities in particular.

Group Opportunities

65. Not denying the importance of cultural motivations of certain immigrants towards entrepreneurship, it should be noticed the influence of the communities and its attributes to the economic options and strategies of the immigrants in host societies. Several privileged relations established by the individuals within a group can be in fact a crucial source of entrepreneurial resources, namely capital, labour, suppliers and consumers (Waldinger et al 1990, Light and Gold 2000). Group entrepreneurial opportunities can, nevertheless, vary through time and have different impacts to the individual depending

⁹ In the survey undertaken with 704 immigrant entrepreneurs in Portugal it was concluded that only 32.1% of the total people surveyed invested in an entrepreneurial activity immediately on arriving in Portugal (Oliveira 2005: 136). Naturally this legal framework can have different impacts for various immigrant groups given that, in the same study, it was identified that, according to nationality, the propensity for entrepreneurial initiative immediately on arrival in Portugal was different: in the case of the Cape Verdeans this was the case for only 5.6%, while in the case of the Chinese and Indians this value increased to 25.6% and 54.9% respectively (Oliveira 2005: 136).

on the characteristics of the host opportunity structure. Furthermore the migratory experiences and the situation of each immigrant population in the receiving country frame the resources that immigrants can mobilise in their community.

66. Although the dynamics of the Portuguese economy determined the economic incorporation of immigrants during the past decades, the functioning of social networks among immigrant communities had also contributed for the segmentation of the Portuguese labour market and/or the link of certain immigrant groups with several activities in the country.

67. In the Chinese case in Portugal the resources sourced in the community proved to be the key element in their entrepreneurial behaviour (Oliveira 2005, Oliveira 2007). The first crucial resource provided by the Chinese community is labour. Family workers play a fundamental role: only 22.8% of the Chinese entrepreneurs surveyed do not employ family workers, when 45.4% of Cape Verdeans do not do it. In comparison with other immigrant entrepreneurs in Portugal, Chinese entrepreneurs are also exceptional in terms of unpaid family workers: 16.2% of these entrepreneurs declared that they did not pay a salary to relatives who work in their businesses (Oliveira 2005: 131-132).

68. The labour gathered in the family or in the community can be a crucial competitive advantage to immigrant businesses since those workers tends to accept worse working conditions, lower salaries and more working hours (Waldinger et al. 1990:142, Light and Gold 2000:119). However not all immigrant entrepreneurs have the same strategy in this respect: if 52.4% of the surveyed Chinese declare to prefer to contract co-ethnics and 75% actually do have co-ethnic workers; only 11.1% of the Indian entrepreneurs believe to be better to their business to contract co-ethnics and only 29.6% have co-ethnic workers (Oliveira 2005: 133). These different options have behind two different entrepreneurial logics: as the Chinese mainly reported to contract co-ethnics because they are trustier, the Indian entrepreneurs tend to avoid contract co-ethnics because in their words they learn the business and become competitors.

69. Another fundamental community resource to sustain the entrepreneurial development is financial capital. Several immigrant groups have been developing financial practices with the aim of answering the community needs (Light and Gold, 2000:116). In the same survey, 50.4% immigrant entrepreneurs declare that create their business with the economic support of relatives and 24.7% with the help of friends (Oliveira 2005: 126-127). Chinese entrepreneurs prove to relay more on family and friends capital in the beginning of their venture (in 66.3% of the cases) than the Cape Verdeans (only in 13.4% of the cases) that proved to be much more dependent on personal savings (78.9% of the cases).

70. In the same study, it was concluded that the absence of community entrepreneurial resources among Cape Verdeans in Portugal make them more dependent on the characteristics of the Portuguese opportunity structure to succeed in business. Contrasting with the other immigrant entrepreneurs surveyed, Cape Verdeans had used more bank loans to define their entrepreneurial strategy - in 19.1% of the cases, when Chinese, for example, only use it in 10% of the cases (Oliveira 2005: 128).

71. Privileged contacts within the community are also relevant to entrepreneurial development for the most part of immigrants in Portugal. Almost 74% of the entrepreneurs surveyed declared to have privileged contacts with persons in the same business sector and 55.8% declare to have it with co-ethnics. The way the entrepreneurs meet their suppliers reinforce the importance of those social networks to business success, as the majority of the surveyed entrepreneurs (63.2%) declare that identified their suppliers through informal contacts with relatives, friends and other privileged contacts (Oliveira 2005: 136-137).

72. However, the group opportunities also bring some constrains and difficulties to the entrepreneurial venture. As showed before in this article, according to nationality the immigrant groups

tend to be more or less concentrated in certain economic sectors in Portugal – for example, as Chinese are highly concentrated in trade, in contrast, Brazilian entrepreneurs tend to be dispersed in several economic activities. These ‘ethnic’ differentiations identified define, in some cases, strong competition within the same immigrant group. According to the data collected in the survey with 704 immigrant entrepreneurs, depending on the sector of investment and the concentration of the immigrant group in that same sector, the entrepreneur will find different competitors. For 72.2% of the Chinese entrepreneurs, more concentrated in the same economic activities, the competitors are mainly co-ethnics; as for the rest of the surveyed entrepreneurs only 37.5% declared to have co-ethnic competitors (Oliveira 2005: 122). It should be further pointed out that the immigrants with higher dependence on ethnic resources to develop their entrepreneurial strategy (the case of Chinese) have a larger number of co-ethnic competitors since they all share similar plans of social mobility (Waldinger et al. 1990: 146; Oliveira 2008: 71).

73. It is also clear through research undertaken in Portugal that not all immigrant groups can rely on community resources to develop an entrepreneurial strategy – that is more evident in the case of Cape Verdeans. In other words, entrepreneurial opportunities are not homogeneous among immigrant groups and do not explain, as a consequence, the entrepreneurial behaviour of all the immigrants. Immigrants that have lack of community entrepreneurial resources are thus more dependent on the host society opportunity structure or on their own personal resources to succeed in business.

Personal Resources

74. Different immigrant nationalities have been characterised as having special cultural and psychological qualities that make them more inclined to entrepreneurship or even to develop successful entrepreneurial strategies. Asians are very often described as more ambitious, hard-working people who tend to risk more, while Africans have difficulties in giving up work as an employee (Portes and Zhou 1999: 165). Due to the risk of resorting to stereotypes, it is difficult to prove that it is cultural characteristics that explain the different propensities of immigrant groups towards entrepreneurship. The data that have been collected in Portugal in the survey with 704 immigrant entrepreneurs (Oliveira, 2005) make it clear that other personal characteristics explain the higher inclination of certain immigrants to develop a business.

75. Indicators such as social class, qualifications, professional experience, age, personal savings and migration experience are able to provide an explanation of the way personal resources affect immigrants’ economic options. As highlighted before, the professional experience of immigrant entrepreneurs in Portugal provides the necessary knowledge to invest with security in a business activity that is why the surveyed entrepreneurs develop their entrepreneurial strategy in the same economic area of their previous activity. The case of Cape Verdean entrepreneurs in Portugal highlights very well the role of personal resources in immigrant entrepreneurial strategies. In the survey undertaken (Oliveira 2005) this entrepreneurs mainly refer individual reasons for developing their business, such as ‘because I wanted to be independent’ (52.8%), ‘because I knew the business sector well’ (35.9%) or ‘because I wanted to have a better life’ (23.9%). In the same survey the Chinese and Indian entrepreneurs also stated the importance of individual reasons but gave special emphasis to family requests and demands (25.2% and 34%, respectively).

76. Contrary to the other immigrant entrepreneurs surveyed, Cape Verdeans show the highest interest in returning to the country of origin (73.9%) and the development of their business is based mostly on their personal savings rather than on financial help from family, friends or other community members. They are also the group who invest the most in the country of origin. Among 47.2% Cape Verdean entrepreneurs investing in Cape Verde, 67.2% buy property and housing and 17.9% invest in the creation of new enterprises and businesses. Finally, also in contrast with the other entrepreneurs contacted in the same research, Cape Verdean entrepreneurs consider the continuation of their entrepreneurial strategy by the

new generations very important. This attitude appears to be the consequence of the effort put into gaining their present position (as an entrepreneur), which is not such a common position among their group of origin (as seen in Table 2).

77. The perceptions of racial discrimination in the access to the labour market also constitute an involuntary influence either to become self-employed or to invest in specific segments of the opportunity structure. Under the same survey it was concluded that Cape Verdean entrepreneurs are more vulnerable with respect to discrimination than Chinese and Indian entrepreneurs – 73.2% of the surveyed Cape Verdeans think that there is discrimination in the Portuguese labour market, as only 8.7% of the Chinese and 22.5% of Indians believe in that (Oliveira 2005: 112-114). As a consequence, the immigrants' perceptions about their possibilities in accessing the labour market also determine both the way they see the opportunity structure and their entrepreneurial options. Moreover, immigrants who lack community resources oriented towards entrepreneurship (the case of Cape Verdeans) become much more aware of constraints and barriers to entry the labour market or to invest as an entrepreneur.

78. The data on the foreign beneficiaries of micro-credit to define a small business put available by the National Association to Credit Right (ANDC) make it clear that the nationalities more represented are exactly the ones that have more lack of community support to define an entrepreneurial strategy - citizens coming from PALOPs represented 66.7% of the foreign beneficiaries between 1999 and 2004 (Oliveira 2004a: 100).

79. Hence it is not only the opportunity structure of the host society or the community resources that make certain immigrants succeed in business, but also their individual competence and characteristics.

Conclusion

80. As experienced in other countries, in Portugal immigrants present higher rates of entrepreneurship than nationals. This tendency, however, does not prove to be uniform for all groups of immigrants resident in the country. Available official data facilitate the verification of the fact that there are nationalities more prone to entrepreneurial initiative than others – as is the case if we compare, for example, the Chinese with the Ukrainians.

81. Bearing in mind the heuristic model of immigrant entrepreneurial strategies developed before, it is clear that it is not cultural reasons that make some immigrants more entrepreneurial than others (Oliveira 2007). The research undertaken in Portugal highlights the fact that the resources and the opportunities mobilised by immigrants in the different spheres that they are embedded in – including the host society, the community and the individual - explain the main differences in entrepreneurial behaviour (Oliveira 2005). Hence, immigrant entrepreneurial strategies are neither uniform nor constant, but vary by group and through time and space in a constant process of adaptation and negotiation.

82. As highlighted in this article the immigrant entrepreneurs in the past decades had to mobilise different opportunities and resources in the definition of their strategies in Portugal and to overcome several obstacles that they face in the Portuguese opportunity structure. In other words, it is important to acknowledge that immigrant entrepreneurial behaviour in Portugal cannot be understood solely through the analysis of community resources, but also throughout the interference of the regulatory framework, the labour market and the individual characteristics.

83. In fact, constraints, difficulties and lack of opportunities experienced in the Portuguese host society in the definition of entrepreneurial strategies – namely previous impediments in the legal framework, lack of knowledge of Portuguese laws, difficulties in understanding the Portuguese language, episodes of negative public opinion, discrimination in accessing the labour market - explain immigrant

entrepreneurs choices and, as a consequence, clarify the dependence on certain resources or opportunities more or less linked with the community or the opportunity structure of the host society.

84. On the other hand, according to the same data, it is concluded that immigrant entrepreneurship is not stable through time, but rather suffers fluctuations. In the Portuguese case it is seen that immigrant entrepreneurship has been reinforced mainly throughout the last decade. Also at this level, there are distinct patterns according to nationalities, that is, there are immigrant groups who stand out in certain periods more than in others. As shown, between 1981 and 2001 the ten nationalities with the highest number of employers in the total foreign employers varied, particularly with the ascent of the position of the Cape Verdeans (from sixth position in 1981 to third in 2001), or the presence of Brazilians as the nationality with the highest number of employers in 1991 and 2001.

85. These trends cannot, however, be analysed without looking at the determinants of the Portuguese reception context. As has been analysed in this article, the reason for rates of immigrant entrepreneurship having a more positive evolution during the last decade, or the reason why certain nationalities stand out more than others in entrepreneurial initiatives, is explained in reality also by the evolution of immigration policies during recent decades. The analysis of the Portuguese opportunity structure towards immigrant entrepreneurship demonstrates how the regulatory and institutional framework can interfere in immigrants' choices in the labour market and in their real possibilities for defining an entrepreneurial strategy. In this article, three periods in the Portuguese legal framework are identified, which determined the evolution and the vicissitudes of immigrant entrepreneurship in Portugal. Depending, therefore, on the year of arrival in Portugal, immigrants tend to be associated with particular legal status that provided them with distinct opportunities or constrains in insertion in the labour market. According to their legal condition in Portugal in the past three decades, immigrants had to wait more or less time in order to be entitled to define legally an entrepreneurial activity in the country.

86. From that analyse it is also possible to proof that the structure that regulates the presence of foreigners in the country determines the possible forms of economic incorporation and/or the entrepreneurial venture among immigrants. Furthermore it should be taken into account that the (apparent) distinct propensities for entrepreneurship among different immigrant groups identified in official data during certain periods of time may not correspond to different entrepreneurial vocations, but simply constrains arising from the regulation in force. In this context it is fundamental to monitor immigration policies in general, and those relating to incentives for entrepreneurship in particular, as these are determinants for immigrant entrepreneurial strategies.

87. It should nevertheless be recognised that lack of knowledge of the laws in force can also influence the activities of some immigrant entrepreneurs. In a survey of 704 immigrant entrepreneurs undertaken in 2002 (Oliveira 2005) it was possible to identify some immigrant groups who showed greater difficulty in understanding Portuguese laws. When questioned about the greatest difficulties felt in defining their entrepreneurial strategy in Portugal, the majority of the Chinese surveyed stressed their lack of knowledge of Portuguese laws (64.9%), and the Indian and Cape Verdean entrepreneurs further complained about the bureaucracy associated with Portuguese official institutions and authorities (43.1% and 42.6% respectively) (Oliveira 2005: 81). In this respect, it should be conceded that many immigrants could, in some cases, not respect the underlying complexity of the legal framework and/or slip into the informal economy, not because they had that intention, but rather because they did not know many of the rules and the successive change to them.

88. Hence, taking into account the importance that this theme assumes in the economic, social, political and cultural structures of contemporary Portuguese society, the study of entrepreneurial strategies is not only a call for attention to a new interpretation of the contributions of immigration, but can also

show alternative forms of economic integration and mobility of immigrants in Portugal and of employment creation opportunities put available by immigrants in the labour market.

89. It is necessary to engage in a debate about the multiple factors that explain immigrant entrepreneurship in a multi-variate approach. Because immigrants do not have uniform access to opportunities and resources for entrepreneurship in the spheres that they are embedded in, policy-makers have to be aware that different immigrant groups might have diverse needs as also different groups might create different strategies and in so doing are contributing differently to the economy of the host society. Immigrants that have a lack of community entrepreneurial resources tend to be more dependent on the opportunities gathered in the host society, being more affected by measures, incentives or restrictions. On the other hand, immigrants that define their entrepreneurial strategies essentially with community resources might need further reinforcement on information about the rules and bureaucratic procedures avoiding their isolation in the community.

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