

Chapter 68

Diaspora and Transnational Entrepreneurship: A Conceptual Exploration

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ABSTRACT

The dynamic development in the field of Diaspora and Transnational entrepreneurship reveals a wide range of challenges and perspectives. These intensely tense up ‘conventional wisdom’, stretch knowledge frontiers, and simultaneously expose fundamental paradoxes in the characterization of ethnic minorities’ diaspora and transnational groups in the context of their entrepreneurship. Prior efforts at researching and advancing knowledge in this sphere have been hugely complicated, not less by the problematic of nomenclature but by researchers’ application of terms. Against this background, this chapter aims to expand current understandings on the dialectic, dilemma, and paradoxical signals emitted by the events of diaspora and transnational entrepreneurship’s economic activities both theoretically and practically. The significance resides in its capacity to enlarge our understanding of the dynamic process of individual agency in cross-border entrepreneurial relations.

INTRODUCTION

International or transnational enterprises by immigrants and ethnic minority groups in the Diasporas as a vehicular instrument of progress and development in their ‘home’ countries is increasingly becoming attractive for researchers and practitioners (e.g., Minto-Coy, 2016; Agunias and Newland, 2012; Newland and Tanaka, 2010). Whilst scholars react to the phenomenon as an attractive research subject, the practitioners, among other reasons, embrace it as a developmental apparatus. For example, Van Hear et al. (2004) argue that the Nigerians in the diaspora provide a substantial contribution, especially by way of remittances, to their homeland in addition to the contribution to poverty reduction and development

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through temporary or permanent return activities of their highly-skilled experts. Invariably, the development role played by the diaspora communities offers an attraction for practitioners who might want to engage with them. Driven by a range of different motivations, including nostalgia, phobia, competitive advantages, resources and markets (Ojo et al., 2013), Diaspora and Transnational entrepreneurship (DTE) study has begun to gain traction in recent years (Portes et al., 2007). This has been particularly captured in the increasing usage of the term 'co-development'. Co-development is seen here as transmuting migrants' activities (e.g., remittances, return migration) into the development of their home countries. Many contemporary migrants are inclined to nurture interchange and connection circuits with their home country, through financial and economic actions, social and political practices (Vertovec, 2009). In effect, the co-development paradigm shifted orientation away from conventional state's aid programs towards a deeper dialogue with migrants and their organizations as a more productive development agency (Riccio, 2011). Indeed, the characteristics that shape DTE, with its emphasis on the stimulation of autonomy and entrepreneurship, appear to seamlessly respond to the increasingly urgent challenges of empowerment.

However, as a result of the globalization effect with its associated corollaries, particularly as it engenders intensifying movement of people from the poor global South to the affluent global North, researchers and practitioners often find increasing complexity and challenging patterns in diaspora's enterprise engagements. New technological innovations and knowledge-driven economic order are combining to generate ambivalent positions and patterns. For example, distances (e.g. cultural, institutional, political and geographical) within and between nations are evaluated as either shrinking or escalating (Oke, 2009). This gives room for ambiguity and challenge notions such as integration and assimilation. Adding to the complexity is the contrasting terminologies, meanings, and implications researchers adopted in the discourse of DTE. Essentially, all these translate to shifting interpretations and impact evaluation of DTE.

Thus, the awareness of these shifting interpretations and impacts necessitates a review of the characteristics of global diaspora transnational economic activities in the context of groups' (ethnic) spatial network interactions. Also, the subject of DTE activities is rapidly becoming an important strand of theorizing international circulation (e.g., capital, knowledge, and people) and development nexus (Riddle et al., 2010). This strand touches several contiguous research themes such as globalization, entrepreneurship and development literature and also strongly represented in the concept of transnationalism (Faist, 2010). Furthermore, inside this concept resides key notions of migration, network, and development. In development term, the United Nations Development Programme (UNDP) articulates that Diasporas support entrepreneurs in their homelands with remittances, informal financing of small businesses, business advice and mentorship (Brinkehoff, 2006). Nevertheless, researchers (e.g. Light, 2007; Portes et al., 1999; Newland and Tanaka, 2010; Ojo et al., 2013) have continued to investigate some fundamental questions around DTE such as:

- In what ways are diaspora groups linked to the transnational economic corridors through the use of their various resource capitals when engaging entrepreneurial activities and with what impact on socio-economic development?
- To what extent is DTE attractive and/or may be differentiated from other immigrants' economic investment channels?
- How can policy makers and funders engage with diaspora and transnational entrepreneurs in their various places of operation?
- What impact does global identity and belonging have on the ways in which diaspora and transnational entrepreneurs are evolving?

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