

Chapter 2

Characteristics Acquired by European and Non- European Immigrants: Examining Business Creation in Spain

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ABSTRACT

Studies on immigrant entrepreneurship have focused on some groups of immigrants according their ethnicity and citizenship. Nonetheless, there is a configuration of immigrants inside Spain that has been neglected in research arenas. This study analyzes which factors at individual level influence the creation of businesses by EU and non-EU immigrants. Factors acquired in home and host country are considered. Hypotheses are tested using multivariate analysis. Employing data from the National Immigrant Survey of Spain – ENI-2007, the findings showed immigrants who owned or managed a business in their home country have higher probability to create a business. Among factors acquired in Spain, the experience in occupation was the more relevant for EU immigrants. However, the experience in construction sector was significant for non-EU immigrants. Furthermore, the exposure to Spanish context and social contacts were significant, increasing the probability of creating a business by non-EU immigrants in Spain.

INTRODUCTION

Immigration phenomenon is a characteristic of European Union, there are millions of people coming from non-EU countries, bringing their rucksack full of characteristics such as their education, experiences, feelings, idiosyncratic way of living and believes. When these immigrants enter the EU, they find another context, with different characteristics and different way of living and believes. It is at this moment that immigrants begin to sum up new skills, new experiences acquired in their host countries.

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Therefore, as many people are on the move around the world, international immigrant entrepreneurship has become a feature of Western countries.

Literature shows that immigrant usually tend to engage in self-employment, this means they have more entrepreneurial behavior compared to domestic-born (Borjas, 1986; Hammarstedt, 2006; Lofstrom, 2002; Kahn, Mattina, & MacGarvie, 2017, Contin-Pilart & Lazarra-Kintana, 2015). Engaging as entrepreneurs or as self-employed has been the main option to reduce unemployment in immigrant communities (Andersson & Hammarstedt, 2010). The characteristics mentioned before are not far from the Spanish reality that has experienced an exponential growth of immigrant population in the first years of the currently century.

While the burgeoning research on this topic analyzes several groups of immigrants as for example by nationalities and / or ethnicity, there are two groups of immigrants in Spain, and in other European countries, that have different characteristics. Immigrant legislation not only in Spain but in the countries of the European Union has grouped them as European and non-European immigrants (McLaren, 2001). This suggests that despite of immigrants' characteristics acquired in home and host countries the legal status is considered to divided them. These legal groups have close characteristics, EU and non-EU immigrants probably have similar macro and micro characteristics. For example, EU immigrants may share similar cultural patterns related to the European culture as well as Latin-Americans, Asians and Africans have each one their idiosyncratic cultural patterns.

Moreover, there is a clear distinction between EU and non-EU immigrants, according to the literature, EU immigrants have special privileges compared to their counterpart (McLaren, 2001). For example, free moving, and the right to work, among others. Consequently, for this study the legal differences are not considered for the empirical analysis, rather it is focused on their characteristics acquired in their home and host countries and how it impacts on becoming entrepreneur or self-employed in Spain. The legal differences, it means, the policy immigration for both groups are considered by default for the analysis.

Considering that explained above, the main objective in this study is to contribute examining how certain attributes at individual level influence the engagement in entrepreneurship by EU and non-EU immigrants in Spain. Factors related to their previous experiences acquired in home and host country were considered. It is expected to find differences in the way of performing entrepreneurship by both groups of immigrants in Spain. To do so, reliable data from the National Statistic Institute of Spain – ENI 2007 is used, which is constituted of 15,550 observations of EU and non-EU immigrants in Spain (Reher & Requena, 2009).

The aim of this study is to shed light on immigrant entrepreneurship in Spain, it is important to know what kind of immigrants and what kind of human capital they possess. Moreover, this study analyzes a topic that perfectly fits on the scope of this book, shedding light on an issue that has been neglected but it is seen in the day to day.

The remainder of this study is structured as follows: in Section 2 the theoretical and conceptual framework is presented. Section 3 is dedicated to depicting the methodology, econometric technique and variables. In Section 4 the findings are presented and, finally, in Section 5 discussion and conclusion are highlighted.

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