Multifocal entrepreneurial practices: the case of Moroccan import/export businesses in Milan

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Abstract: In recent years, the topic of cross-border businesses developed by immigrants (transnational entrepreneurship) has emerged as one of the most interesting areas of research in studies on immigrants and their economic activities. From a theoretical standpoint, the paper proposes to use the concept of multifocality, defined as the structural and relational embeddedness of immigrants in places and groups. A scheme adapting a mixed embeddedness approach to the case of transnational entrepreneurship is introduced. Empirically, the article presents the case of Moroccan import/export businesses in Milan, investigating the role of multifocality and structural embeddedness in shaping the internationalisation process. The study shows that Moroccan entrepreneurial activities are connected with several countries simultaneously, not only with the countries of immigration and origin. In particular, Moroccan entrepreneurs use their personal multifocality and structural embeddedness to identify and take advantage of business opportunities for internationalising the business.

Keywords: transnational entrepreneurship; business internationalisation; Italy; cross-border businesses; entrepreneurial practices; import/export businesses; Milan; mixed embeddedness; Moroccan immigrants; Moroccan entrepreneurs; multifocality; small businesses; structural embeddedness; transnationalism.

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1 Introduction

In recent years, cross-border businesses developed by immigrant entrepreneurs have emerged as one of the most interesting areas of research in studies on immigrants and their economic activities. As a topic, it intersects between the field of immigrant entrepreneurship and that of immigrant transnationalism. This paper analyses the case of Moroccan import/export (I/E) businesses in Milan, as immigrant I/E businesses are an example of immigrant transnational entrepreneurship *par excellence* (see Section 3.1). Transnational immigrant entrepreneurship "involves entrepreneurial activities that are carried out in a cross-national context" [Drori et al., (2009), p.1001]. Therefore, a transnational business is an entrepreneurial activity that exploits opportunities across national borders and depends on contacts and associates in other countries for the conduction of business (Chen and Tan, 2009; Portes et al., 2002).

The concept of transnational entrepreneurship refers to people who migrate from one country to another and start a business in the country of immigration, with business links outside this country. Entrepreneurs with a transnational business do not necessarily deal exclusively with co-nationals spread all over the world (as in diaspora networks), but also with people who do not necessarily come from the same country of origin. Therefore, they are immigrants who have decided to expand their entrepreneurial activities outside the borders of their country of immigration. Transnational entrepreneurship does not automatically entail that these entrepreneurs maintain cultural and business connections with their co-nationals in the country of origin or in other countries. In this regard, it partially differs from other fields such as diaspora entrepreneurship [for the concept of diaspora entrepreneurship, see for example Elo (2015)].

Since the topic is relatively recent, some gaps remain both from a theoretical and an empirical standpoint (Solano, 2015a). Firstly, there is still a lack of concepts so as to understand the phenomenon more in depth. Since transnational entrepreneurship involves various contexts, it appears that studies in the field have so far failed to fully explain the processes and the practices connected to this particular form of immigrant entrepreneurship. Secondly, contextual opportunities have often been taken for granted in the analysis of transnational entrepreneurship, and while the literature routinely mentions the importance of context, it does not actually define it or analyse it in detail. This article proposes to partially fill these critical gaps.

In the following section of the article I discuss the main concepts in the field and I introduce some new notions. Then, I present the research regarding Moroccan I/E entrepreneurs in Milan. Finally, in the conclusions I summarise both the theoretical and empirical contribution of the article.

2 Theoretical background

2.1 Transnationalism and embeddedness

The increasing opportunities for mobility (e.g., low-cost flights) and communication (e.g., Skype, and social networks such as Facebook and Twitter) encourage people to maintain social relations all over the world, and provide them with easy access to information about different locations and contexts. The notion of transnationalism (Glick Schiller et al., 1992; Basch et al., 1994; Levitt and Jaworksy, 2007) is meant to account

for this new reality: immigrants, i.e., people who migrate from their country of origin to another, are now developing multi-located paths of migration. Although immigrants may be integrated in their country of destination, they continue to participate (in various ways and degrees) in the life of their country of origin. They maintain contacts and links with their country of origin as well as with relatives, co-nationals, etc. located in other countries.

However, transnationalism is not a de-territorialised phenomenon independent of the context in which the actions of individuals take place. On the contrary, it is deeply connected, at different spatial levels, to a series of geographic locations. At the same time, new forms of belonging emerge. Strictly in connection with transnational actions and links, immigrants develop forms of multiple belonging, cutting across national borders. In their daily life, they refer to different places and groups (Ehrkamp and Leitner, 2003), e.g., their co-nationals, their country of origin, their neighbourhoods in the city of immigration, etc.

Vertovec (2004) developed the concept of bifocality, which was previously introduced by Rouse (1992), to describe the fact that immigrants belong and live their everyday lives in more than one context. Immigrants remain deeply linked to their country of origin and maintain a strong sense of connection and closeness to places and people there. At the same time, they develop similar feelings in reference to places and people in the country of immigration. The concept of bifocality refers to the fact that their lives and actions are not only influenced by their context of arrival, they are also strongly affected by their context of origin. The two contexts (with their sets of norms, rules, habits, etc.) merge together and become part of a unique area of experience influencing their actions and decisions.

Immigrants, and in particular immigrant entrepreneurs, can have links not only with their host and home countries, but also with others. As pointed out by Bagwell (2015) in his analysis on Vietnamese entrepreneurs in London, transnational entrepreneurship today is characterised by 'multi-polar' links.

Considering that immigrants' lives increasingly develop in several countries, the article proposes the term *multifocality*¹ (rather than bifocality). Even though immigrants are based in their context of immigration, in everyday life they act in reference to different contexts. Multifocality refers to the embeddedness of immigrants in various *places* and *groups*.

First, the concept entails that immigrants may be embedded in different places: their country of origin, their country of immigration and possibly other countries. Entrepreneurs are normally inserted in their country of origin and their context of immigration, but for many reasons (e.g., past experience) they may have connections and be embedded in third countries as well. This embeddedness can apply at different levels: national, regional/municipal and district (see also Section 2.2).

Second, the concept also refers to embeddedness in different groups. Indeed, groups (family, co-nationals, natives of the host country, other immigrants, etc.) are the first vehicle for the diffusion of norms, customs and traditions.

Moreover, the concept of multifocality does not refer to concrete actions but rather to the fact that immigrants consider several contexts as reference points, and these entail norms, values and customs which may influence behaviour.

Thus, transnationalism and multifocality are strictly connected to embeddedness in several contexts and groups. As for the concept of embeddedness, it refers to an analytical approach (typical of new economic sociology) starting from the theoretical

standpoint that economic actions are not only based on individual and economic calculations (Mingione, 2013). On the contrary, they are strongly structured by social contexts such as networks, institutions, norms and values (Polany, 1968; Granovetter, 1985). The concept refers here to the individual entrepreneur level and to the fact that individuals are influenced in their economic (and entrepreneurial) actions by social structure (i.e., non-economic institutions).

With reference to immigrants, Portes defines embeddedness by distinguishing between relational and structural embeddedness. For Portes, structural embeddedness concerns the "limits and possibilities offered by polity and society" [Portes, (1995). p.25], while "the assistance and constraints offered by the co-ethnic community, mediated through social networks" (*ibidem*) refers to relational embeddedness. In Portes' definition, relational embeddedness regards the links among co-ethnics, with particular reference to the constraints and resources that inclusion in the co-ethnic networks entails.

As a concept connecting transnationalism and immigrant entrepreneurial activities, immigrant embeddedness is defined in this article as *the degree to which immigrants'* actions are influenced by their involvement in places and/or groups. Saying for example that 'immigrants are embedded in their co-national group' means that their enmeshment in their group of co-nationals effectively conditions their actions and decisions.

Starting from Portes' definitions, relational embeddedness is considered here as basically connected to the social networks of immigrants. Relational embeddedness refers to the various types of personal relations in which entrepreneurs participate, including with co-ethnics, other immigrants and/or native contacts. Structural embeddedness, on the other hand, refers to settlement in the political, economic, and social contexts in which immigrants operate. However, embeddedness in social groups (e.g., co-ethnics) does not indicate only relational embeddedness, since belonging to a social group also implies a structural side. This structural side is represented by groups' characteristics, such as models of behaviour, habits, customs, norms, and traditions – something partially external to individuals – which are typical of a particular group.

Recalling the concept of multifocality introduced above, this refers to insertion in certain places and groups which influence immigrant actions. Therefore, both the concept of immigrant embeddedness and the combination of structural and relational embeddedness provide the basis for the concept of multifocality, which can then be defined as the *structural and relational embeddedness of immigrants in places and groups*.

2.2 Mixed embeddedness and opportunity structure in the field of transnational immigrant entrepreneurs

Considering the analysis of immigrant entrepreneurship, and the use of the concept of embeddedness in this field, some authors (Kloosterman et al., 1999; Kloosterman and Rath, 2001) have proposed a *mixed embeddedness* approach. This proposal starts from the fact that past studies on immigrant entrepreneurship have focused mainly on the supply side, namely the reasons for starting up the business as well as the individual and social resources used, and less on the demand side. However, in order to fully understand the phenomenon of immigrant entrepreneurship it is also necessary to take into account the opportunity structure (Waldinger et al., 1990), i.e., the opportunities that lie in the context(s) where the entrepreneurial activity is started.

The key issue is the matching process between the immigrants' skills and resources (their human and social capital) and the structure of opportunities (Waldinger et al., 1990; Kloosterman et al., 1999). Indeed, because immigrants often have to contend with a lack of capital or inadequate language skills, not everyone is able to innovate and take advantage of the opportunities offered by the markets (and, more generally, the contexts).

Starting from this, a model of mixed embeddedness applied to the field of transnational immigrant entrepreneurship is proposed here.

The model takes into account the fact that immigrant entrepreneurial activities are strictly connected to, and influenced by, the places in which immigrants live their lives and develop their business, the groups they belong to and have contacts with, as well as their personal skills, abilities and experiences (i.e., their individual resources).

Individual resources affect entrepreneurial activity. Both human capital and financial capital can be considered individual resources. Financial capital is namely the sum of money that an entrepreneur can invest in his or her business, whereas human capital refers to educational background, skills, knowledge, and personal attributes such as creativity and ability to innovate. Individual resources directly affect business creation and success. For example, language skills can be fundamental for expanding the business and starting to trade with another country (Rusinovic, 2008; Terjesen and Elam, 2009). In addition, previous knowledge of the sector might facilitate the start-up of the business, for example when the entrepreneur already knows certain suppliers (Patel and Conklin, 2009; Terjesen and Elam, 2009; Ambrosini, 2012).

Since immigrants experience life in different contexts and groups, the contexts in which they can be linked are basically the country of origin, the country of immigration, and other countries (i.e., the global environment). For each of these, it is possible to distinguish three spatial levels (see Kloosterman and Rath, 2001): national, regional/urban, and neighbourhood. These spatial levels usually differ in the features they have (e.g., number of co-nationals; market structure).

Opportunity structure seems composed by three spheres.

In relation to places, opportunity structure refers to two areas (Schutjens, 2014).

First, institutional conditions (laws, rules, and facilitations) play an important role (e.g., Portes et al., 2002; Morawska, 2004). The institutional framework, when favourable, helps create the conditions for the start-up, the development and the growth of transnational businesses, and therefore affects entrepreneurial activities through a structure of incentives and opportunities (Urbano et al., 2010, 2011; Rath, 2011). In particular, two conditions have been emphasised in the literature:

- 1 rules, laws and policies that support business start-ups [e.g., business incubators, as described by Rieddle et al. (2010)]
- 2 policies and legislation on immigration (Miera, 2008).

Second, favourable situations consist not only of institutional features but also economic and market conditions and opportunities. For example, in Italy the fact of having a relevant number of entrepreneurs in specific sectors (e.g., in the food service sector) might affect the profitability of a new business in these sectors.

Therefore, places have certain characteristics and peculiarities that may affect opportunity structure (Waldinger et al., 1990).

Groups can also provide resources to the entrepreneur. With regard to immigrants, four main groups must be taken into account: the family (immediate and extended

relatives), co-nationals, other immigrants, and natives of the country of immigration. The characteristics of these groups – habits and needs, such as consumption habits or entrepreneurial conducts – may influence the decision to start a business, the choice of a given sector, and, consequently, the decision to internationalise the business.

More generally, the interplay between groups' characteristics (group level – different groups) and political-institutional and economic contexts (place level – different contexts and spatial levels) creates an opportunity structure which can be used by transnational immigrant entrepreneurs for their businesses.

Groups impact also on the business through the entrepreneur's personal contacts, i.e., people who constitute the entrepreneur's social capital and can provide help such as information, free or inexpensive labour, financial support, etc. Personal contacts directly influence entrepreneurial activities. With regard to transnational entrepreneurship, the literature has shown the importance of social contacts (e.g., relatives) when managing the foreign side of the business (Portes et al., 2002; Kariv et al., 2009; Patel and Terjesen, 2011).

Finally, given the opportunity structure, the entrepreneurs' personal skills and contacts (social capital) influence their knowledge of the opportunity structure and the way they take advantage of it. Social and human (as well as financial) capitals also affect the way they take advantage of them, as stated by the mixed embeddedness approach. For example, Italian immigrants in a country where pizza is highly in demand might have problems starting up a pizzeria because they do not have the necessary skills to make good pizza. They may not be able to hire a good pizza chef for lack of money, orif they have the means, they may be unable to find a good chef because they lack the right social contacts (social capital) to be able to find one.

Therefore, connecting the mixed embeddedness model with the concept of multifocality, the fact of being embedded in groups (relational and structural embeddedness) and in places (structural embeddedness) plays a relevant role in the start-up, the growth and the success of the business. Indeed, structural and relational embeddedness can provide entrepreneurs with the necessary resources for a cross-border business. Similarly, embeddedness allows immigrant entrepreneurs to recognise entrepreneurial opportunities and to exploit them (Sequeira et al., 2009; Short et al., 2010).

Starting from the model presented above, this article addresses the opportunity structure and the structural part of embeddedness in reference to research on Moroccan I/E businesses. The existing literature tends to underestimate or take for granted the role of context and the opportunity structure. Indeed, analysing how the opportunity structure shapes immigrant entrepreneurial behaviours is even more important in the case of transnational businesses, but so far only a few studies have looked at the role of context and opportunities (Morawska, 2004; Miera, 2008; Rieddle et al., 2010; Urbano et al., 2010). Moreover, though some of the literature underlines the role of embeddedness in recognising and taking advantage of available opportunities (e.g., Sequeira et al., 2009), the extent and the characteristics of this embeddedness have not yet been clearly defined.

3 The case of Moroccan I/E businesses in Milan

3.1 Aim and methodology

The article focuses on how and to what extent structural embeddedness in different contexts and groups influences the transnational entrepreneurial behaviours of immigrants, in particular the internationalisation of their business – i.e., the "the geographical expansion of economic activities over a national country's borders" [Ruzzier et al., (2006), p.477].

The purpose is to show how entrepreneurs take advantage of the various opportunities available at different spatial levels (national, regional/urban, district; country of origin, country of immigration, and other countries). In particular, the aim is to understand whether or not knowledge of the opportunities arising from different contexts is acquired through a certain degree of structural embeddedness. The choice of focusing only on structural embeddedness is connected to the importance of contexts in the field of transnational businesses (see for example Drori et al., 2009).

In detail, articles' research questions are:

- 1 In what countries and at what spatial level(s) do entrepreneurs take advantage of available opportunities to internationalise their business?
- What spheres (political-institutional, economic; groups' characteristics) are these opportunities drawn from?
- 3 How do entrepreneurs recognise and exploit available opportunities for business internationalisation? In particular, to what extent does a certain degree of structural embeddedness matter for this purpose?

The research focuses on I/E entrepreneurs, in order to understand which context opportunities are used for cross-border and multi-located types of businesses, and to determine to what extent this is a consequence of their structural embeddedness. In fact, even though I/E businesses are economic activities connecting different countries, and surely a central role is played by the various contexts presenting opportunities, it is not clear at which spatial level (in which countries and at which level) these opportunities are seized and what the interplay is between institutional, economic and market contexts and the possibilities provided by groups. Moreover, past studies have not shown to what extent immigrants are embedded in the contexts and groups from which they draw their resources (Solano, 2015a). I/E businesses imply by definition the seizing of opportunities in different locations, but the entrepreneur may not be embedded in these places at a structural level. In fact, an opportunity might be seized for many reasons or in many ways. The entrepreneur may know a key contact allowing him/her to recognise and/or take advantage of such an opportunity (relational embeddedness). Or, the owner might decide to do a certain amount of personal research (on the internet, by going to trade fairs, etc.). Alternatively, the entrepreneur may have direct knowledge (i.e., not mediated through contacts) of institutional bodies, economic markets, or places and groups' characteristics because he/she is more or less integrated in a spatial context or in a particular group (structural embeddedness).

Therefore, the research is centred on the dynamics of the internationalisation process. For this reason I focus on homogeneous group of transnational entrepreneurs (i.e., entrepreneurs with cross-border business activities), namely I/E business owners.

However, it is important to note that I/E businesses are only a small part of the total entrepreneurial activities carried out by Moroccans and, more generally, by immigrants². The majority of businesses owned by immigrants in Italy focus only on small trade in the local market and are not very profitable (Ambrosini, 2011; Chiesi et al., 2011; Solano, 2015b).

With the aim of better understanding the different mechanisms and processes that fall under the experiences of transnational entrepreneurial practices, I used a qualitative approach and method. I was mainly interested in analysing and understanding the dynamics and processes at play within the cases (Gold, 1997; Ghauri and Grønhaug, 2010). For this reason, there was no need for a statistically representative sample. A convenient sample was chosen based on qualitative typologies, which means that entrepreneurs were selected based on the different types of business within the category of Moroccan entrepreneurs with an I/E business. I chose to focus more on social representativeness, on the basis of the salience of the cases (Silverman, 2000).

I used four entry points to select interviewees:

- 1 by consulting the Trade Register of the Chamber of Commerce³
- 2 by walking around in the areas with a great concentration of Moroccan businesses according to Chamber of Commerce data
- 3 by collecting business cards in some shops selling 'ethnic' products
- 4 by snowball sampling (in two cases).

I used these four entry points in order to draw an accurate picture of the I/E activities carried out by Moroccan entrepreneurs in Milan, and to include all types (e.g., business only importing or exporting products; couriers – see Section 3.2) in the sample.

I was able to estimate to about 30 the number of I/E entrepreneurs in Milan and the metropolitan area 4 .

From September 2013 to February 2014, I conducted 18⁵ face-to-face interviews with Moroccan entrepreneurs running an import and/or export (or similar) business in Milan. This was part of a larger project comparing transnational business practices of Moroccan entrepreneurs in Amsterdam and Milan.

Interviews lasted from one hour to one hour and a half⁶. A semi-structured interview guide was used. Basic profile data for each business was gathered, such as number of employees, year of start-up, location and sectors, along with information on the entrepreneur, including age, gender, migratory path, educational background, training skills and past work experience. Questions regarding the entrepreneurial experience, the decision to internationalise the business, links with other countries, and resources used were also investigated.

The language of the interview was Italian and there were no cases of linguistic problems. I was also responsible for the data analysis and interpretation⁷.

I decided to focus on Milan and its province because the city (as well as all of Lombardy) plays a relevant role in the Italian economy and is a central node of I/E flows⁸.

Immigrant entrepreneurs with a cross-border business from Morocco were selected for two main reasons.

First, by considering only one national group I was able to control possible elements of variation connected to different nationalities (see Portes et al., 2002) and to some key

variables associated to the country of origin: distance from Italy, political situation, and economic context. I selected one country that was not too distant from Italy, one that would be reachable not only by airplane but also by car or by truck, because this feature presented an opportunity that might also be exploited by immigrants with limited financial means. It was not possible to consider the entire area (for example all of the Maghreb) because of the very different economic and political conditions characterising the various countries. Morocco, however, is a country with a stable political situation (see for example: Arieff, 2013). If this were not the case, the conditions might discourage any links with the country of origin.

Secondly, in terms of history, time of settlement and numbers, Moroccan immigrants are among the most significant immigrant groups in Milan and, in general, in Italy. In Milan, there are 7,100 immigrants from Morocco, i.e., 0.5% of the whole population (source: ISTAT, 2015). In Italy, people of Moroccan origin make up8.9% of the immigrant population and 0.7% of the entire Italian population (source: ISTAT, 2015). There are 2,567 Moroccan entrepreneurs, i.e., 2.1% of all entrepreneurs in the city (source: Chamber of Commerce of Milan, 2014). Historically, Moroccan immigrants are one of the oldest groups in term of settlement. They started arriving in Italy in the 1980s. In particular, there was a significant increase of the Moroccan population in Italy in the years between 1985 and 1991 (Colombo and Sciortino, 2004), and they are still an important group today – the third in terms of number of people – (source: ISTAT, 2014).

3.2 Case description

Before illustrating the findings emerging from the research, it is useful to briefly present each case, in order to better understand the activities performed. As the research uses a qualitative approach, it is interesting to evaluate the particularities of each case. Table 1 summarises the main characteristics of the businesses under consideration: gender, activity description, and foreign countries which the business is connected with.

Table 1 Entrepreneurs interviewed

Code	Gender	Activity description	Countries with which the business has connections
(M-Milan)			
M01	M	Export of Italian clothes, shoes and textiles	Morocco (export)
M02	F	Trade of fashion clothes	Morocco (clothes production); eastern European countries (export)
M03	M	Retail of Moroccan clothes and bazaar products	France, Indonesia, Morocco (import of products sold in the shop)
M04	M	Import and export of many products (textile, kitchen cabinets, bazaar products)	Belgium, China, Egypt, France, Syria, Turkey (import); Morocco and Maghreb countries (export)
M05	M	I/E of fruits and vegetables	Egypt, France, Spain
M06	M	I/E of fruits	Spain
M07	M	I/E of Chinese tea and Italian clothes and textiles	China (import); France, Spain, Morocco (export)
M08	F	Production and export of kosher products	Israel, France, US, UK

 Table 1
 Entrepreneurs interviewed (continued)

Code	Gender	Activity description	Countries with which the business has connections
(M-Milan)			
M09	F	Export of Italian machineries	Saudi Arabia, United Arab Emirates, India, Germany
M10	M	Export of hydraulic and construction products	Morocco
M11	F	Retail of Arab clothes for women	Morocco (import of the goods sold in the shop)
M12	M	Transport of all kinds of goods	Morocco
M13	M	Wholesale of Arab salons and sofas	Egypt, Turkey (import); Belgium, France, Netherlands, (export)
M14	M	Wholesale of Moroccan foods and herbs	Morocco (import)
M15	M	Wholesale of Arab sofas	Egypt, Turkey (import); France, Netherlands, Belgium (export)
M16	M	Household products	Australia, Belgium, China, France, Germany, Turkey (import)
M17	M	Export of Italian machineries and other products	Algeria, Saudi Arabia, United Arab Emirate, Yemen (export); Morocco, Turkey (import)
M18	F	Retail of halal meat and Moroccan foods	Morocco (import of the products sold in the shop)

A relevant number of the cases taken into consideration have developed a business that imports and exports products to and from Italy (ten cases). This does not imply that the entrepreneurs necessarily transport what they sell themselves, since this happens only in one case (M12). In the majority of cases the main transnational aspect is the movement of goods and the contacts with people abroad (by telephone, e-mail, etc.). However, these entrepreneurs physically go abroad several times a year, sometimes for long periods at a time, in order to manage their business. A particular case falling into this category is that of a fashion clothes business (M02), which manufactures clothes in Morocco and then sells them in Italy and Eastern Europe.

The other businesses are characterised by only one type of connection with other countries, i.e., either they only import or they only export. In some cases, usually retail businesses, Moroccan entrepreneurs buy their products abroad and then sell them in a local market.

In other businesses (e.g., wholesale), the activity consists in producing the goods and selling them to retailers in Italy and abroad.

All of these businesses have strong connections and frequent relationships with countries other than Italy.

3.3 Research findings

3.3.1 Links abroad and opportunity structure

In order to answer the research questions introduced above, it is first of all necessary to understand which countries the entrepreneurs have contacts with and whether their business involves only two countries, Morocco and Italy, or other countries as well.

Figures 1(a) and 1(b) (see Appendix) summarise the connections of all the interviewees in terms of countries. Each node represents a country, and the relation between two nodes (represented by a line) stands for the fact that the nodes are part of the same business.

The figures show that the businesses are not only connected internationally with the country of origin (Morocco), but also with one or more other countries. Moreover, there are also some clusters of countries. International business relations are mainly spread over four groups of countries: Morocco, North-African countries, European countries, and countries on the Arabian Peninsula. This fact underlines the multiplicity of contacts for entrepreneurs. The contacts with third countries are not only with certain specific countries (for example those located in North-Africa) but they vary, and Moroccan entrepreneurs usually bridge different countries. Thus, it is not possible to sort the entrepreneurs interviewed on the basis of the type of internationalisation, that is, their connection to the country of origin, or their lack of it. The numerous links which exist between Morocco and the 'other-country' group [see in particular Figure 1(b)] underline the fact that these entrepreneurs are usually involved in business activities with both Morocco and other countries. The many connections within the 'other-country' group also confirm the multi-located (and not only bi-located) nature of the businesses. For their activities, they interact with several countries and several contexts, not only with Morocco and Italy.

However, it is not clear whether entrepreneurs are multifocal only in the case of businesses connected with more than Morocco and Italy. In this case, they are considered multifocal if they base their business on embeddedness in different contexts and/or groups. In fact, it is also possible to have a cross-border business without personal embeddedness in groups or places.

Two examples better clarify this difference. R. (M12) transports products between Milan and his city of origin in Morocco. After having worked and lived in Milan for several years, he got to know many people in a neighbourhood with a high percentage of Moroccan immigrants. Spending time with his co-nationals in the area, a large majority of whom are from the same Moroccan city as he, he understood that there was a need for low-cost transportation of foods, furniture, etc. Taking advantage of the fact that he had a basis in Morocco (his parents' house) where to store the goods, he decided to start a business connecting Milan (or, more precisely, an area of Milan) and his city of origin. This is a perfect example of bifocal embeddedness for an entrepreneur. He based his business on his embeddedness in both his city of origin and the co-ethnic group in the city of immigration (at a local level).

A. (M05) decided to open a business selling fruits and vegetables in order to take advantage of his experience in this sector, since he had previously worked for his father in this capacity. From his past experience, he knew that Spain was the biggest and most important European market. Although he had had no prior contact with the supplier in Barcelona, he decided to go there in order to create business relations with a number of

suppliers in that city. In this case, A. did not have any particular knowledge connected to a previous embeddedness in Spain. He simply did some market research in order to find the right suppliers. Here his past experience in the sector provided a general knowledge of the market and certainly the skills to recognise high quality products. This, then, is the case where individual resources played a relevant role.

At this point, in order to go one step further we need to understand at which spatial level (national, regional/urban, local/neighbourhood) opportunities are seized, and only then can we focus on entrepreneur embeddedness.

Following this analysis of connections with other countries, I now focus on the level and the spheres where opportunities are taken (see Section 2.2).

As for opportunities from other countries (neither Italy nor Morocco), it is necessary to distinguish between each group of countries. Opportunities in North-Africa are found in the production of certain particular products, mainly foods that are imported to satisfy the needs and tastes of North-African immigrants.

On the other hand, Arab countries are the perfect market for Italian products. Moroccan entrepreneurs usually provide machinery (or similar products) to Arab companies. A good example is that of R. (M09), who exports Italian machineries mainly to two Arab companies, one in Saudi Arabia and one in the United Arab Emirates. Thus, she does her business by taking advantage of the high demand for Italian machineries by Arab companies.

European countries represent both a market where to sell certain products and sources from which to import other products. The link with European countries is mainly due to co-national groups. It is not a coincidence that the most recurring connections are with countries with a large, long-established group of Moroccan immigrants (Belgium, France and the Netherlands). Co-nationals in Europe require certain particular goods, and for this reason some Moroccan businesses expand their activities by selling products also in these countries. On the other hand, the presence of Moroccans gives other immigrants the incentive to open businesses geared to the needs of their co-nationals. For this reason, many Moroccan entrepreneurs in Milan import products for a clientele of their co-nationals and other immigrants from other businesses in these European countries. Opportunities are therefore usually seized at a national level thanks to the presence of a numerous and long-standing group of co-nationals in some countries, but in the end this takes a local form. Moroccan entrepreneurs focus mainly on the biggest cities and/or cities with a large presence of Moroccan nationals (in France, for example, Marseille or Paris).

Like European countries, Morocco is both a market where to sell products and a provider of other products. In particular, Moroccan entrepreneurs import certain foods and herbs from Morocco, and sometimes from other North-African countries such as Egypt, and they sell them in Italy. At the same time, they also consider Morocco a market to satisfy, and they usually provide certain Italian products such as clothes, shoes, and foodsto people living in Morocco.

The spatial levels where they usually take advantage of these opportunities are both local and national, since local and national elements are combined to create opportunities. On the supply side, opportunities are mainly connected to the production of some particular foods and goods. One example is the case of L. (M11), who sells Arab clothes (manufactured in Palestine) in Italy. She imports clothes from Morocco, because there are many shops selling these types of clothes in the country. In this case she decided to exploit a peculiarity, but her suppliers do not come from her city of origin only.

Sometimes, the opportunities are taken both at a local and a national level. This is the case of M. (M02), a fashion designer. She decided to produce her clothes in Morocco because of lower production costs, but in choosing the actual factory she decided to look for one in Casablanca, her city of origin. On the demand side, Moroccan entrepreneurs usually combine both local and national opportunities. From a national standpoint, the main opportunity is the request of products made in Italy. Moroccan people and companies require a wide range of Italian goods: from furniture to machinery, from raw materials to clothes. This is generally combined with the recognition of more local opportunities (e.g., a lack of such products in the city of origin, a profound knowledge of the general economic and market context of the city). An example might be that of A. (M10), who exports Italian hydraulic and construction products. He exports these only to his store in Morocco, in his city of origin. From a national point of view, he knew that the quality of Moroccan hydraulic and construction products was low and the price was higher. From a local point of view, the knowledge of market conditions in his city of origin shaped his decision to establish a business in this specific sector, hence a continuous interplay between local and national aspects.

Other countries are usually chosen both because of their particularities and the low cost of their products. For example, Turkey is known as one of the most important providers of fabrics, so for this reason both A. (M13) and A. (M15) imported fabrics for sofas from Turkey. Another example is that of M. (M16), who created his personal tea brand in the 1990s. He produces the tea in China because of the quality of the green tea, but also because production costs are lower than in Italy. In such cases, the opportunity structure frequently has a national nature.

As for Italy, there clearly is a deep exploitation of Italian characteristics at different spatial levels. At a national level, the main opportunity is represented by the quality and the international status of Italian products such as foods, machinery, clothes, etc. Italian goods are in demand all around the world, and Moroccan entrepreneurs exploit this Italian feature. This trait also has a regional/urban side, which is represented by certain business clusters of companies in specific sectors (e.g., the so-called' industrial districts', or *distretti industriali*). For example, B. (M01) exports clothes and shoes to Morocco. He usually buys stocks of these products from small companies in industrial clusters in Tuscany and Emilia Romagna. At this level, the opportunity is provided by the economic system of business clustering. This is a national peculiarity, but with local applications and implications. M. (M02) takes advantage of the fact that Milan is famous for its fashion sector. Thanks to this she is also able to export her clothes outside of Italy, for example in Eastern Europe. Without this positive image, she would never have been able to offer her merchandise abroad.

It appears that Moroccan entrepreneurs are also used to taking local opportunities both at a city level and a neighbourhood level, and they often seize opportunities from both, for example the high percentage, in a given neighbourhood, of Arab women who need particular clothes (see M11), or the presence of one of the most important marketplaces in Europe (see M05 and M06). It is worth analysing the case of L. (M11) more in-depth. In particular, it is interesting to look at the interplay between a good knowledge of the Moroccan market, the needs of a particular type of immigrants (Arab women), the concentration of this segment in a given neighbourhood, and how she became aware of this opportunity. L. is a mother, and every day she takes her children to school. In these occasions she usually talks with other mothers in the neighbourhood. These are in large majority from North-African countries, because there is a high

concentration of immigrants from these countries in the area. By talking with them, she understood the difficulty for these women to find Arab clothes and she decided to open a business to satisfy this need.

Thus, opportunities provided by co-nationals (and in a few cases by other immigrants) influence the choice of sector and the entire entrepreneurial course.

By analysing Figure 1(a), we can see the impact of co-nationals in shaping the internationalisation of the business. In Figure 1(a) the points in black represent countries where co-nationals play a relevant role in the business. The majority of the contacts with European countries point to a role of these countries. In Italy as well, the role of co-nationals and immigrants impacts greatly.

As for businesses owned by immigrants in general, the needs of certain people represent good opportunities to enter a given market and establish a transnational business. Certain customs of co-nationals and immigrants provide a market for some entrepreneurs. Such customs and opportunities are exploited not only in Milan and Italy but all around the world. It is the first way in whichco-nationals' characteristics favour the internationalisation of immigrant businesses. The second is the need to provide these goods by importing them from the countries in which they are available:

I knew that my co-nationals like Arab salons and sofas. They want to have high-quality products, manufactured here in Italy, with a connection with Morocco. I import some products from abroad. For example I import fabrics from Turkey, because they produce very good ones. [...] I sell my products in Italy but I also export a lot of salons abroad, especially in Europe, in countries where there are many of my co-nationals. (M15)

There are three different spheres within the opportunity structure: the political and institutional context, the economic context (places); groups' characteristics (groups).

From the research presented here, it is clear that both the economic (and productive) context and groups' characteristics (mainly co-national and other immigrants) have a prominent role. By contrast, laws and regulations do not seem to be a key part in the case of Moroccan I/E entrepreneurs in Milan. The political and institutional context does not appear to have a strong impact on Moroccan entrepreneurs. As for economic conditions, one of the most important elements is the specialisation in producing specific, high-quality goods. This is valid for the Italian context, the Moroccan (and more generally North-African) context and also for other countries. Moroccan entrepreneurs exploit the productive characteristics of various countries in order to satisfy the demand for different products from all over the world. This demand can come from a place-based market opportunity (e.g., the general demand for Italian machineries from companies in the Arabian Peninsula) or it can emerge in connection with some customs typical of certain groups (e.g., the high consumption of tea by Moroccan people). In other words, the customs and behaviours typical of various groups play a role in the internationalisation of the business.

3.3.2 Structural embeddedness

After discussing the countries and spatial levels where opportunities are seized, it is necessary to go one step further and understand the importance of a certain degree of structural embeddedness for the knowledge and exploitation of these opportunities.

In theory, a certain degree of structural embeddedness seems fundamental for the business (see also Sequeira et al., 2009). However, it is not clear whether or not this embeddedness is multi-located. Furthermore, it is not assumed that entrepreneurs use this embeddedness to recognise business opportunities.

Analysing the opportunities exploited at a structural level by Moroccan entrepreneurs, it seems clear that structural embeddedness plays a key role both in the choice of the specific sector and in the internationalisation process. The products usually traded by Moroccan entrepreneurs are those answering a specific demand, and so the main reason behind the choice is an economic one. People need certain products, and Moroccan entrepreneurs are able to provide them by setting connections abroad. In this regard internationalisation is often a consequence of sector choice.

The key question is how Moroccan entrepreneurs become aware of these needs and why they are able to satisfy them. Structural embeddedness in places (at different spatial levels) and groups (mainly co-nationals but also other immigrants) appears fundamental.

Firstly, Moroccan entrepreneurs are directly embedded in their context of origin, and they use this embeddedness for their business. They are very familiar with the structure of the market and the economic conditions of their country and city of origin, and so their knowledge of these opportunities is connected to their embeddedness in places where they lived for a long time. This is important for the choice of place for internationalisation:

I chose this kind of business, with relations with Morocco, because I know my country, and so it seemed like a good idea to me. I know the market conditions of Morocco, what I can trade and which goods are most in demand. I send clothes, etc., and I know that in Morocco some shops are going to buy what I send. In another country it would be impossible for me to know which products are suitable for the market. Then, I send the products to my city in Morocco because I know the neighbourhood very well, and I know the structure of the city, where the stores are, etc. (M01)

What emerges is that, in terms of context of origin, they tend to mix structural embeddedness at a national and a local level. They are inspired by a national characteristic (e.g., the presence of several stores interested in selling Italian clothes) and by their knowledge of a given local context (e.g., actual places interested in selling the goods).

Secondly, the interviewees take great advantage of their embeddedness in Italy and their knowledge of Italian goods. In particular, the quality and the characteristics of Italian products are fundamental. Abroad, Italy is normally considered a place where high-quality clothes, foods and machineries are produced, hence their endorsement of this image in connection with other countries. In this case, the embeddedness seems to be connected at a national level but also at a local one (mainly the regional/city level). Embeddedness in a local place (e.g., Milan) influences entrepreneurs in their choice of products, as in the case of fashion designer M. (M02). Moreover, embeddedness in the Italian context also shapes the preference for a cross-border business, and not only the choice of products:

When I arrived in Italy I started to sell cigarettes, because I didn't have a Visa. But my girlfriend lived in France so I started to go there with tea and other things for my co-nationals. At the same time I started to buy Italian goods (fabric, scarves, etc.) and I saw that there was a market for these products in France. When I got my Visa, I decided to start exporting these. I started doing both, thanks to my co-nationals and to a demand for Italian products abroad (M07)

This excerpt introduces the relevant role of embeddedness in both the Moroccan and the immigrant groups. The presence of co-nationals and other immigrants provides a market for particular goods mainly produced abroad. Through their everyday lives, Moroccan entrepreneurs understand the needs of immigrants. A paradigmatic case is that of R. (M12). As mentioned above, he transports all kinds of goods between an area of Milan and his city of origin in Morocco. After working and living in a particular area of Milan for several years, he got to know many people from his city of origin. They needed low-cost transportation for some products, so he decided to take advantage of this and started his own business.

Since co-nationals are also scattered in other European countries, this provides Moroccan entrepreneurs with a market where they can expand their business to third countries. For example, many Moroccans in Belgium, France and the Netherlands require Arab salons and M13 supplies them from Italy. This is an example of market opportunity created by co-nationals abroad.

The same happens with embeddedness in other groups. A particular case is that of A. (M08), who is a Moroccan Jew. She produces *kosher* foods (foods made in accordance with Jewish norms) in some factories in Lombardy and then exports these products all around the world, supplying various local Jewish groups.

Therefore, an important finding is that internationalisation in other countries (that is, other than Italy or Morocco) is often connected with co-nationals and a profound understanding of their customs. Thus, one factor of internationalisation is embeddedness in the Moroccan group. In the first section, the difference between structural and relational embeddedness in social groups was introduced. In this case, the structural part of this embeddedness in a group is the crucial element.

Regarding non-European countries, only in the case of North-Africa is it possible to speak of a certain degree of structural embeddedness. In fact, populations living in those countries have some similar customs (e.g., Arab salons, some types of food) and for this reason Moroccan entrepreneurs have a good knowledge of the customs and the economic and market structure of these countries.

Often the link with other countries is not connected to structural embeddedness, but is due to other processes. Relations with Arab countries are strictly connected to the ability for Moroccan entrepreneurs to speak Arabic. Their knowledge of Arabic (an individual skill – i.e., human capital) seems to be a key factor in the decision to expand their business to Arab countries. Moroccan entrepreneurs see an opportunity in these countries mainly because they are aware of their economic power, and thanks to the Arabic language they are able to seize available opportunities. The links with other countries such as China or Indonesia is related to the entrepreneurs' experience in the sector in general or to the brokerage of personal or working contacts.

In other words, structural embeddedness in certain places, mainly Italy and Morocco, at different levels and in certain groups (especially co-nationals) shapes the choice of

sector (i.e., the products to import or export) and is a key factor in the decision to internationalise the business.

4 Conclusions

The aim of this paper is to contribute to the literature on transnational immigrant entrepreneurship both from a theoretical and an empirical point of view.

From a theoretical standpoint I introduced a definition of multifocality in connection with structural and relational embeddedness, and the use of these concepts has allowed me to better approach the topic addressed here.

From an empirical standpoint, the paper focuses on the two concepts of multifocality and structural embeddedness, stressing the role of the opportunity structure for transnational entrepreneurship, a topic which has largely been ignored in the literature despite its importance.

Taking as a starting point the case of businesses involving cross-border connections by definition, this paper illustrates three main elements.

First (answering research question one), it shows which countries are involved in cross-border activities and at what spatial levels the opportunities within the different countries are exploited. Moroccan entrepreneurial activities are simultaneously connected with several countries, since the businesses usually link together not only the country of immigration and the country of origin but also other countries. This is a partially different result compared to existing research, which does not stress, and sometimes simply ignores, links with third countries (apart from Bagwell, 2015). The research shows that Moroccan I/E entrepreneurs take advantage of opportunities from different social contexts and spatial levels. They typically combine opportunities at a global level (outside Morocco and Italy), a national level (involving both the home and the immigration countries), and various local contexts (e.g., the characteristics of Milan and Lombardy, as well as those of their neighbourhood in Milan and in their city of origin). Even though these opportunities are usually connected to the presence of some national characteristics, they effectively become concrete at a local level (city and district).

In this sense, Moroccan I/E entrepreneurs usually *bridge* different contexts and spatial levels in order to exploit available opportunities. In particular, there are two main ways for this bridging to happen:

- global opportunities local markets, in order to satisfy local needs, e.g., importing foods and goods from Belgium, France, Morocco, the Maghreb, or China for Moroccan (and more generally, North-African) immigrants in Milan
- 2 national/local opportunities global markets, in order to satisfy the needs of people living in dispersed places, e.g., exporting clothes that are *made in Italy* to Morocco, Arab countries, etc.

Second, Moroccan entrepreneurs exploit opportunities from different spheres (research question number two). Institutional and political conditions, economic contexts and groups' characteristics contribute to creating the opportunity structure for immigrant businesses. Compared to past studies, the research on the Milanese case unexpectedly shows that institutional and political contexts do not seem to play a relevant role in the businesses. By contrast, economic conditions, and in particular the market, have a

significant function. The impact of market conditions is also reinforced by the influence of certain customs and needs in some groups, mainly that of co-nationals and that of other immigrants. These needs and customs (groups' characteristics) impact both on the economic context and, directly, on the opportunity structure. *Per se* these create opportunities for the business, but they also interact with other market conditions (such as appreciation of Italian clothes) to create further opportunities. In particular, the role of co-nationals is central for the decision to internationalise the business.

Finally, the article illustrates the degree of structural embeddedness and multifocality that Moroccan entrepreneurs rely on to recognise and exploit opportunities for internationalisation (research question three). Moroccan entrepreneurs strongly use their multifocality to identify and take advantage of business opportunities. Structural embeddedness in connection to places is limited to two countries (although at different spatial levels): Morocco and Italy. By also introducing the other side of structural embeddedness (that connected to groups), it is possible to understand that embeddedness in the group of co-nationals (and in certain cases in the immigrant group as well) also plays a central role. In these terms it is possible to assert that Moroccan entrepreneurs use their structural embeddedness in different places and group(s) in order to identify available opportunities. However, groups are also located in certain specific places, and that is why, in order to gain in-depth understanding of entrepreneur embeddedness at a structural level and the use entrepreneurs make of this, it is necessary to take into account places, groups, and the interplay between them.

Their multifocality (from a structural point of view) plays a central role in influencing transnational entrepreneurial activities in general, and more particularly the choice of sector and the decision to internationalise their business.

In conclusion, this study partially fills some critical gaps in previous research for three main reasons. First, it stresses the role of opportunity structure and structural embeddedness when it comes to immigrant entrepreneurial activities with connections abroad. Second, through the example of a concrete application of the concept, my research provides empirical confirmation of the fact that, as regards immigrants, it is more appropriate to speak of multifocality rather than bifocality. Moreover, it also underlines the characteristics of this multifocality, with particular reference to the combination of context and group features.

However, the research also presents some limitations due to the fact that only one particular type of transnational business, with reference to immigrants from a single nationality, was taken into account. Comparing different types of transnational businesses or including several nationalities might lead to partially different results. The present study is based on a specific national and local context (Italy-Milan), which might imply other shortcomings such as the possibility of partially distorted findings regarding the role of political and institutional contexts.

The concepts and empirical findings illustrated in this study therefore deserve more attention. Firstly, the notions of structural embeddedness and multifocality need to be further analysed both from a theoretical and an empirical standpoint. Secondly, the role of the various types of spheres making up the opportunity structure and the spatial levels requires additional comparative studies, and comparing different countries and groups of immigrants would likely lead to more detailed results.

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Notes

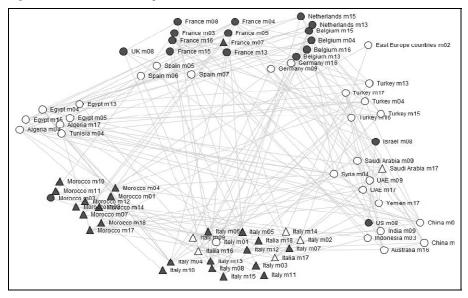
- 1 The term 'multifocality' is mentioned by Faist (2000) but has not been developed any further. I am indebted to Jan Rath for suggesting the use of this concept to me.
- 2 According to my estimates based on the Chamber of Commerce register, they represent only 3% of the total businesses owned by Moroccan immigrants in Milan.
- 3 The Trade Register of the Chamber of Commerce was not very reliable because some closed businesses were still listed. Nonetheless, it was one of the most useful sources for finding interviewees.
- 4 I started my research from the Trade Register of the Chamber of Commerce. I first checked all the names of entrepreneurs running I/E businesses on the list. Then I checked almost all businesses which might feature some kind I/E activities (such as *halal* butchers, bazaar shops, food shops, etc.), and in the end I was able to list an estimate of about 30 Moroccan entrepreneurs running such businesses in Milan.
- 5 I contacted 22 entrepreneurs, but four refused because they were either busy or not in Italy during the fieldwork period.
- 6 The interviews also included another meeting lasting one hour in which the entrepreneur's network was studied using social network analysis. This part was not used for the present paper.
- 7 In doing that, I used Nvivo software package.
- 8 According to Istat data, Lombardy is the first Italian region for the export of goods. For example, it exported 28.1% of total goods from Italy in 2012.

Appendix

Figures

In Figure 1(a), each node represents a country that an entrepreneur has contact with. The relation between two nodes (a line) represents the fact that the nodes are part of the same business. Triangle refers to the fact that the entrepreneur has seized the opportunities in the country thanks to a certain degree of structural embeddedness (otherwise: circle). The countries where co-nationals play a relevant role for the business are in black (otherwise: white).

Figure 1 Countries with entrepreneurs have contacts



(a)

Italy

46 13

Other Countries (90) Morocco

(b)

In Figure 1(b), each node represents a country or a group of countries (Italy, Morocco, other countries) that an entrepreneur has contact with. The relation between two nodes (a line) represents the fact that the nodes are part of the same business. The different node size is related to the number of cases in the group; the colour of the node and of the line refers to the number of intra-group contacts (Morocco and Italy, 0; other countries, 90) and inter-groups ones.