

Characteristics and Business Profiles of Immigrant-Owned Small Firms: The Case of African Immigrant Entrepreneurs in Greece

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Abstract

Greece has experienced rapid growth in immigrant and refugee populations since 1990. Many African immigrants arriving in Greece started small businesses in their quest to become economically self-sufficient, serve the consumer needs of fellow newcomers, and integrate into culture and society of the host country. Research cites that immigrant businesses are closely intertwined with national interest in community economic and social development. As well, national economic and social science research and statistics have reflected that immigrant entrepreneurship in Greece has a direct economic impact on the local economies and also provides a springboard for successful immigrant social integration into the host society. Finally, research in the area of immigrant small business development must also address reasons that the immigrant small business entrepreneur gravitates to self-employment and innovative financing methods. The purpose of this research is three-fold: 1) to determine characteristics and business profiles of small firms owned and operated by African immigrant entrepreneurs in Athens, Greece, 2) to view ethnic enterprise as a means of socio-cultural integration in the host society, aiming to reveal rich and varied forms of economic self-organisation, and 3) based on results of this preliminary study, recommendations are made for developing a follow-up three year longitudinal study of African immigrant businesses in Athens. With the results of this four-year study, recommendations will be made to government and private-sector agencies in OECD countries for policy formulation to support and encourage 1) sustainable small-scale economic development activities by African immigrants and determine ways to integrate these small businesses into existing urban economic development projects and strategies, and 2) social policy addressing issues of immigrant social exclusion and successful community integration.

This is the second paper of a dynamic five-year project to research and promote the unique entrepreneurial and self-employment spirit brought by immigrants and refugees to Greece.

Key words: African immigrant, ethnic entrepreneurship, Greece

Introduction, Importance and Purpose of the Study

“The danger inherent in an EU-led approach (to immigrant integration) is that it develops as a top-down strategy. Integration happens at the local level. Moreover, it is not something that is done to migrants, but a process in which they are but one significant player. The EU can provide a framework, legal minimum standards, and resources. It can help to mobilize the stakeholders. But the Commission and Member States must ensure that the voices of migrants and of agencies at the local level are heard when the goals and policy levers of the integration process are chosen. Migrants will be a permanent part of Europe’s future and, in the final analysis, new residents and old will need to negotiate their future together.”

Sarah Spencer, *The Challenge of Integration, in Europe and its immigrants in the 21st Century: a new deal or a continuing dialogue of the deaf?*, Migration Policy Institute, Washington (2006)

In Africa today, economic growth has faltered, its economies have fallen further behind the high-wage OECD leaders, and there is a demographic acceleration throughout the continent. Research conducted in 2000 at the University of Essex and Harvard University suggests that the pressure on emigration out of Africa will intensify in this decade in part by the demand for entrance into high-wage OECD labor markets (Hatton & Williamson, 2000). The complex and dynamic character of the migration flow in Africa today is witnessed in a number of areas: increasing numbers of women migrating, vast differences in choice of destination country, trend toward commercial migration, human trafficking, efforts by regional economic outfits to assist the free flow of labor, and, with such outflows, the subsequent effects of brain drain from the continent’s hardest hit regions (Adepoju, 2004; GCIM, 2005; Awases, Gbary, Nyoni & Chatora, 2004; Nwajiuba, 2007).

Although most of the African migrant movement is taking place within the continent and mostly from the less developed and more highly populated nations (Hatton & Williamson, 2000), migrant hopefuls from the sub-Saharan region often settle temporarily in North African countries such as Morocco, Tunisia, Libya, Algeria, and Egypt, using them as a stepping stone en route to Europe (de Haas, 2006). With Africa on the receiving end of a mere 1 percent of the world's investment, unrest, poverty, and grave health issues (Papandreou, 2003) have prompted hundreds of thousands of mostly unmarried men in the 15-29 age group (Hatton & Williamson, 2000) to enter the south Mediterranean countries of Greece, Italy, and Spain – geographically closest to African shorelines (Nkrumah, 2003).

As one of those OECD labor markets, Greece has experienced rapid growth in immigrant and refugee populations from Africa since 1990. Some of these newcomers started small businesses in their quest to become economically self-sufficient, serve the consumer needs of fellow newcomers, and integrate into community life. The African immigrant, as other ethnic minority groups in Greece, gravitates to self-employment and innovative financing methods as a mean to developmental entrepreneurship. There is, however, a need for further research in the area of immigrant small business development within specific ethnic immigrant communities, such as that of the African diaspora in Greece.

From a sociological viewpoint, which cannot be excluded on any study of immigrant entrepreneurship, research highlights that while being confronted with new challenges and the necessities of social change, recent African immigrants living in Europe increasingly draw support from their socio-cultural traditional systems to further their economic activities. They find in their culture and spirituality the meaning of their life and an alternative to social exclusion (Mulumba & Potakey, 2007). Along with a commitment to solidarity, various ethnic groups develop networks that successfully unite family members or even inhabitants of the same village. The immigrants pool their resources and access these communal funds either by taking turns or under exceptional circumstances. As a result, they are able to change their living conditions and enjoy a substantially improved level of social wellbeing.

Entrepreneurial action among African immigrants in Greece will therefore be examined in this study as a cultural construct because of the fact that the dynamism of a community can be understood by analysing the means that a community gives itself to determine its existence at the present moment (Mulumba & Potakey, 2007). Hence, in this period of globalisation on the one hand and the increase of social exclusion of immigrants on the other, it appears important to reflect, through an ethnographic approach, on the contribution of African immigrants in the local Greek community, on their socio-cultural characteristics, and on the factors of social change which could inspire the host society. The future of immigrant host societies will be no doubt be influenced by the dynamic among all encompassing variables of the host culture, external global economic and social influences, and local immigrant cultures.

The purpose of this research is three-fold: 1) to determine characteristics and business profiles of small firms owned and operated by African immigrant entrepreneurs in Athens, Greece's capital city and largest urban center, 2) to view ethnic enterprise as a means of socio-cultural integration in the host society, aiming to reveal rich and varied forms of economic self-organisation, and 3) based on results of this preliminary study, recommendations are made for developing a follow-up three year longitudinal study of African immigrant businesses in Athens. With the results of this four-year study, recommendations will be made to government and private-sector agencies in OECD countries for policy formulation to support and encourage 1) sustainable small-scale economic development activities by African immigrants and determine ways to integrate these small businesses into existing urban economic development projects and strategies, and 2) social policy addressing issues of immigrant social exclusion and successful community integration.

Review of the Literature

The Ethnic Market Niche Theory

The ethnic market niche theory is based on the idea that immigrant entrepreneurship is focused on market niches and therefore "ethnic strategies." Ethnic strategies emerge from the interaction between opportunity structures and ethnic immigrant characteristics (Aldrich and Waldinger, 1990). This theory has identified what is called an "interactive model of ethnic business development" (Waldinger, et al., 2000). Within the ethnic market niche theory, immigrants become entrepreneurs in order to find alternatives to traditional employment options for immigrants in unattractive industries. The interaction of opportunity structures and ethnic group characteristics creates ethnic strategies that enable immigrant entrepreneurs' niche business opportunities (Waldinger, et al., 2000).

Immigrant entrepreneurs often enter non-ethnic or open markets when conditions allow access. Conditions may be underserved or abandoned markets, markets with low economies of scale, unstable markets, or markets for the provision of ethnic goods. Underserved or abandoned markets can be either industry or geographically driven. Examples include immigrant entrepreneurs opening a grocery store in an urban area where large grocery chains choose not to have a presence. This market condition can also be viewed from the perspective of the middleman minority theory (Grey, et al., 2005).

Another avenue of the opportunity structures, according to Aldrich and Waldinger, is the access to ownership opportunities for immigrants who are dependent on the supply of business vacancies and on government policies (Aldrich and Waldinger, 1990). Business vacancies are created as existing native business owners relocate their businesses, close their businesses, or sell their businesses to immigrants. The socio-economic shifts in neighborhoods and communities are often critical factors in creating opportunities for immigrant entrepreneurs (Min and Bozorgmehr, 2000).

Another scenario for the creation of business vacancies is when an immigrant group assimilates into the host country and the children of the first immigrant generation move into the main stream economy and labor market. These second generation children are likely to have achieved a higher level of education than their parents and have more opportunities available to them (Waldinger, et al., 2000). So, the first generation immigrant business owners will often sell their businesses when they retire to newly arriving immigrants and refugees looking for economic opportunities.

The impact of government policies on immigrants can affect the opportunities available to immigrants to start a business or the types of businesses that may be started. Some nations require a person to be a resident in order to start a business and it may be extremely difficult, or take many years for an immigrant to obtain their citizenship. Many communities have zoning and ordinances which prohibit certain types

of businesses from operating or which dramatically increase the start-up costs for a business in order to comply with the local regulations (Waldinger, et al., 2000; Min and Bozorgmehr, 2003).

Group characteristics, the second element of interaction identified by Aldrich and Waldinger, which formulate ethnic strategies, encompass “predisposing factors” and “resource mobilization” (Waldinger, et al., 2000). They believe that some immigrants are predisposed toward entrepreneurship and that some immigrant groups are also able to draw on informal ethnic resources which provide them with a competitive edge over non-immigrant business owners. Predisposing factors include blocked societal mobility that may be due to language barriers, discrimination, or the lack of skills. Since an immigrant faces these barriers, as well as pure economic needs, they find self-employment a desirable path. Other predisposing factors identified include selective migration and settlement characteristics. Entrepreneurial opportunities arise because immigrants tend to locate in areas where they have family or cultural ties which will often times provide support networks and resources for immigrant entrepreneurs (Aldrich and Waldinger, 1990).

A final predisposing factor identified is the aspiration level of immigrant entrepreneurs. The risk tolerance of many immigrants is typically higher than residents of the host society since they have already taken risks by leaving their homeland and coming to a new country. Therefore, many immigrants are more willing to take entrepreneurial risks in starting a business. In addition, entrepreneurship is viewed as a chance to get ahead in the host society (Waldinger, et al., 2000).

Coupled with the settlement characteristics of immigrants is resource mobilization. Across the research reviewed, it is clear that immigrants tend to rely on their family and friends and other connections within their immigrant community when settling into a new country and when starting up a business. Immigrant entrepreneurs access financial, social, and human capital. Many entrepreneurs raise start-up funds from family and friends or by participating in rotating credit associations (Laguerr, 1998).

Closely connected to social capital is the ability to access human capital. Immigrant entrepreneurs are able to find workers within their immigrant community, often at a lower cost. The immigrant community also benefits since more job opportunities are made available to members who may have difficulty in finding employment via the main stream labor market of the host society (Grey, et al., 2005).

Ultimately, the type of business which an immigrant entrepreneur starts, how it is operated, and its success is shaped by the opportunity structure of the community, region, and country the immigrant is in and by the immigrant’s group characteristics. The combination of these form the ethnic strategies built around the ethnic market niche opportunities within the host society (Waldinger, et al., 2000: 383-384). An issue that has been raised about Aldrich and Waldinger’s interactive model of ethnic business development is that they only focus on the positive aspects of capitalism in relation to immigrant entrepreneurs and do not address negative dimensions that impact immigrants (Bonacich, 1993).

EU Countries Attractive to Migrant Hosts

With countries in the European Union (EU) continuing to receive waves of migrants, policy makers are constantly under pressure to find a balance between each country’s specific economic needs and political objectives. The former usually points to larger numbers of immigrant workers, while the latter grapples with implementing exclusionary policies as natives generally believe that migrants present an economic drain for their nation (de Palo, Faini & Venturini, 2006). Such dilemmas are currently the source of much debate when considering that a large proportion of migrants are crossing EU borders from the African continent.

Ranking as one of the top regions for refugees living in foreign countries (www.NationMaster.com, 2007), the continent’s recent history of political turmoil, civil unrest, poor economic performance, and a serious dive in the living standards of Africans (Hatton & Williamson, 2000; Papandreou, 2003) has highlighted European countries as a promising survival option (Nkrumah, 2003). As such, EU countries need to understand why Africans are so ready to risk even their lives to cross the Mediterranean into Europe.

It is important to note that the reasons driving Africans out of their homelands and into developed countries are practically identical to those which drove Europeans to the ‘new world’ in the late 19th Century (Hatton & Williamson, 2000). Taking this into consideration, today’s migrants have the potential to cover skill shortages as well as fill job openings, thus helping economic growth in the EU (Nkrumah, 2003). This is especially evident when immigrants overcome barriers and challenges and succeed in owning and operating their own businesses (Baldwin-Edwards, 2005).

Worsening Conditions Drive African Emigration

Literature on African migration abounds, with country-specific data showing just how serious migration outflows are. One study by Talani reveals that national estimates note about 4 percent of Egyptians – some 2.7 million – are living abroad. First migrant-destination country of choice is Italy, with Greece a favoured second. In this study, a staggering two-thirds of questionnaire respondents cited economic reasons as the driving force behind migration decisions (2003).

In Ethiopia, rife political disorder within a period of just three decades has led to its fair share of emigrants. The actual number of Ethiopians living outside their country might have been even higher given that in 1981 the ruling Mengistu regime made immigration without government consent illegal (Terrazas, 2007). This same study gives further insight into the migration behaviour of Ethiopian nationals, noting that most stayed in neighboring countries, using them as transit points before moving on to high-wage, developed countries such the United States and those in Europe.

Despite the widely-held perception of African immigrants being impoverished and thus desperate, de Haas points out that many times they actually boast a fair level of education and hail from a modest socio-economic family (de Haas, 2006; Awases, Gbary, Nyoni & Chatora, 2004). As such, many are successful in settling into their new European environments and go to great lengths to secure employment and better living standards. In fact, the characteristics of many immigrants are in line with those commonly touted as necessary for successful entrepreneurship (Mestheneos, 2000).

While receiving countries are bound to benefit from immigrant entrepreneurial activities, there is also strong support for the benefits to the origin country with migrants sending remittances to families left behind. A study by Nwajiuba reports that in 2006, 80 percent of Nigerian immigrants remitted money. Another example is Ghana, whose migrant remittances have steadily increased since 2001 totalling some 5 billion USD at the end of 2006 (2007).

Greece Provides Opportunity

Regardless of destination, migrant patterns are often studied and explained through reference to pull factors, with academia placing these into five distinct groups: economic, political, geographic, policy-related, and historic. Such classification facilitates research delving into the whys and wherefores of choice of destination for specific nationalities (Talani, 2003).

Since the mid-1990s, migrants caught attempting to reach the shores of Greece's Aegean islands has totalled some 3,000 annually. However, in 2007, the numbers suddenly shot up, albeit fellow European nations actually reporting fewer arrivals (Itano, 2007; *The Economist*, 2005). In the case of Greece, immigrants have been attracted to this small, South Mediterranean country where opportunities are present in the form of comparatively higher wages and a lax market system which enables informal labor (Baldwin-Edwards, 2005). However, the relationship is far removed from a host-parasite situation and is more decidedly, albeit unofficially, based on a give-and-take relationship. With research showing that immigrants have played a critical role in the country's improved economic performance (Kassimis & Kassimi, 2004), it is of significant note that the 2001 Census reveals that 80 percent of Greece's immigrants originate from less-developed nations (Baldwin-Edwards, 2005). Despite natives being not all together delighted with this influx of "undesirables," academic research once again shows that the majority of immigrants are in jobs that Greeks don't want anyway and usually avoid (Kassimis & Kassimi, 2004; Tziliavakis, 2008; GCIM, 2005). The latter reality finds employers eager to hire unskilled workers to perform the "5-D" jobs - domestic, difficult, dirty, dull or dangerous (GCIM, 2005).

Another attractive feature of Greece's labor market is the high proportion of small enterprises with five or less employees in addition to the prevalence of self-employment (Mestheneos, 2000). However, this does not necessarily translate to economic gains for Greeks themselves as immigrant entrepreneurs most often employ family members or fellow immigrants (Tziliavakis, 2005).

Notwithstanding its attractive features, the Greek economy is not without its dark side – for natives and immigrants alike, securing a job is fraught with frustration and is not always in parallel with an individual's needs or qualifications on offer (Mestheneos, 2000). Since taking the reigns four years ago, the country's ruling conservatives have had a difficult time in the arena of immigration reform. The New Democracy government has not been so successful in goals aiming to combat illegal immigration and facilitate migrant assimilation in the labor market and local society. In fact, since winning the elections, the New Democracy party has actually made it more difficult for non-EU migrants to open up their own enterprise (Tziliavakis, 2007).

Some of the obstacles include: 1) immigrants have to wait 3 years to change professional status from employee to self-employed; 2) occupational mobility of non-EU nationals is hindered by rules not allowing those who own a business to change its scope of operations within the first two years; and, 3) non-EU migrants wanting to establish their own enterprise must show at least 60,000 Euros in a personal bank account. The latter is a major obstacle, with critics stating it is too heavy a sum to request from a small-business owner (Tziliavakis, 2007).

In addition, immigrants have the added challenges of overcoming a plethora of obstacles such as obtaining residence permits (Traiou, 2006), learning the language, raising start-up capital (Mestheneos, 2000), crossing cultural barriers, and securing an operating license (Tziliavakis, 2005).

Baldwin-Edwards makes a case for the importance of EU countries and their policy makers to encourage self-employment and the sustainability of ethnic enterprises together with social integration (2005). The reasons driving immigrants to try their hand at self-employment include the need for income, bad employment conditions, and few opportunities at their skill level, health problems, and age. However, successful self-employment endeavors are shown to give a return beyond simply meeting basic needs (Mestheneos, 2000). In fact, one of the many benefits goes beyond labor market gains, and helps immigrant self-empowerment by easing social cohesion and raising their status from previously thought of as second class (Baldwin-Edwards, 2005) to respected business owners interacting with natives on an "equal footing" (Mestheneos, 2000).

African Economic Integration and Entrepreneurship in Greece

With relatively sparse data on the number of ethnic entrepreneurs or immigrant-owned businesses in Greece, it is difficult to speak of immigrant-specific business behaviour by ethnic group (Mestheneos, 2000). As such, newspaper snippets and what few studies have been conducted do attempt to give a general picture of how African immigrants are earning their living in Greece. More than a decade ago, a woman from Ghana recorded a first as one of the first Africans to open up an ethnic business. Ms. Magliti, now a Greek citizen, took the chance when she recognized a market demand for cosmetics for Africans. Following suit since then, other African women are known to own and run hair salons (Tziliavakis, 2005).

Although most Africans in Greece are seen working as street vendors and small traders (Petrakou & Dimitrakopoulos, 2003), Egyptians – whom number up to 18,000 in Greece (Traiou, 2006) – have gone into areas such as catering, retail trade, and tourism (Petrakou & Dimitrakopoulos, 2003), Guineans mostly survive as street vendors, and Ghanaians own small stores in one specific neighborhood in Greece's capital of Athens (Traiou, 2006). Unfortunately, additional information or research regarding ethnic-specific entrepreneurial activities in Greece is not forthcoming.

Realizing that ethnic minorities increasingly face exclusion from the labor market, the European Social Fund (ESF) is working to promote all-inclusive employment policies across the European Union (European Communities, 1995-2007). However, immigration policies

together with the myriad of bureaucratic procedures required to open a business, place migrants in a seemingly never-ending maze that ultimately acts to deter self-employment. As such, while various European Union initiatives aim to assist the integration of immigrants, the structure of national policies serve more to help expatriates (such as Pontics and North Epirotes) rather than encourage self-employment by third-country migrants (Halkias, et al, 2007).

Immigration legislation passed in August 2005 effectively bars non-EU nationals from renewing their open-air market vendors' licence. This has led hundreds of African immigrants in Greece to seek out different employment opportunities or sell their goods without the required licence. This government action places immigrant vendors' residence status in jeopardy as the main condition for residence permit renewal is demonstrable stable employment. One positive outcome of law 3386/2005 is that the separate residence and work permits have been replaced with a single document. However, the law is still so inflexible that even the most promising immigrants are required to wait anywhere from 5 to 10 years to become eligible for a permanent-form of Greek residence. This is another impediment to immigrant assimilation and integration (Tzilivakis, 2007).

The latter has repercussions for the local economy since those in the know are quick to point out that with positive social integration comes increased purchasing power – this cycle means increased productivity, income convergence with the economy's average, and again, increased spending (Tzilivakis, 2008). In order to help immigrants deal with and overcome the abovementioned challenges, there is a need for improved coordination among government agencies at all levels affecting immigration issues in individual countries, as well as among government bodies at an international level (GCIM, 2005).

Research cites that immigrant businesses are closely intertwined with national interest in community economic development; national and research statistics have reflected that immigrant entrepreneurship has a direct economic impact on local economies (Halkias et al, 2007). Research calls for clearer policies and programs, better enforcement of laws, and open dialogue with citizens in order to assuage their fears and rising xenophobia (GCIM, 2005).

Research Methodology

The criteria for inclusion in this study were that an immigrant-owned business is one that is owned and managed by the immigrant and/or more than one family member (Hollander & Elman, 1988 and Astrachan & Astrachan, 1993). This definition is clearly less restrictive than other definitions because it is not dependent on the involvement of multiple family members (Winter, et al., 1998). A second reason for adopting a broad definition is that this paper is an exploratory study and our sample represents relatively young and small immigrant-owned businesses.

The sample of this study focuses on African immigrant businesses. They were identified from the following sources in the Athens metro area:

- The Anti Racist Festival
- Church of the New Redemption
- The Nigerian Society of Greece
- The Democratic Party of Nigeria in Greece
- Athinorama (Athens City Guide): listing restaurants of relevant countries
- Tanzanian Society of Greece
- Sierra Leone community of Greece
- The Immigrant Kindergarten of Athens
- Gambia community Greece
- Congo community Greece
- Immigrant forum of Greece
- Anthropolos.gr
- Saturday School for Immigrants

In addition, the study's Research Assistants conducted a field search in the African immigrant community. The sample was scattered throughout all industries including professional, scientific, healthcare, and technical services.

The interview survey was taken to the business owners by one of the study's Research Assistants who on average spent 30 to 60 minutes interviewing the subjects and writing down the respondents' answers on the survey itself. Fifty valid interview surveys were completed by the Research Assistants and used in the study's data analysis.

The survey was written in English and there was no need for any translation by the Research Assistants conducting the individual interviews since the African immigrants all spoke English. The demographic questions included: age, gender, marital status, number of children, relationship to the owners, and level of formal/informal technical trading education. The remaining questions in the first section were open-ended and pertaining to perceptions of the immigrant owners on their relationship to their own immigrant group, their relationship to the host society, and the effect of the global business environment on immigrant entrepreneurship. A final open-ended question allowed the respondents to add any further individual perceptions they wished, which were not included in the survey.

The second section of the interview survey collected business data (industry sector, financial data, marketing, growth/expansion strategy, technology, distribution channels, employee profiles, supplier profile, and customer profile). According to this information, data was collected and analyzed to formulate a picture of the immigrant entrepreneur's social profile and key characteristics comprising the business profile of each firm.

Research Participation Rates

Identifying immigrant small businesses was the first phase of research. The second, and by far the most challenging and time-consuming, was building the rapport necessary to actually conduct interviews. Among the 150 immigrant businesses identified, in-depth interviews were conducted with 55 business owners. Immigrants are consistently reluctant to give interviews to researchers.

Many of their reasons for declining participation in research are similar to those of established-resident business owners: reluctance to share financial information, concerns about the potential benefits for their competitors, etc. However, immigrant business owners often have additional reasons to decline research participation: language barriers, concerns that their business practices or personal lives will draw the attention of authorities with whom they remain unfamiliar or even suspicious of, potential exposure of their employment of undocumented immigrants, etc. (Grey, et al., 2003).

Some newcomer business owners granted interviews on the initial day of contact. Others granted interviews only after several weeks of persistent inquiries. Some business owners did not live in the same community, forcing a potentially long wait to arrange an interview. Even among those business owners who were interviewed, there was reluctance to answer every question in the interview protocol; an experience shared by other researchers in the area of immigration studies (Griffith, 2004). This was particularly the case in terms of financial information. In order to encourage participation, business owners were assured through signed informed consent forms that the name and specific location of their business will not be identified in this survey.

Data Analysis and Results

A total of 52 African immigrant entrepreneurs took part in the survey. They were predominantly young, well educated, and married West Africans who entered Greece initially as students and have become business owners.

Thirty-six percent of the sample was female entrepreneurs, indicating a considerable involvement of women as business owners. This is an unexpectedly higher percentage than other immigrant groups (Halkias, et al., 2007) that could be attributed to the higher education level (see below) of this category.

Table 1. Gender Demographics

Gender	Frequency	Percentage
Male	33	64%
Female	19	36%

The youthfulness of the migrants in an increasingly graying host population is important for on-going economic vibrancy. Ninety-five percent of the survey respondents were under 50, and two-thirds of them were under 40.

Table 2. Age Demographics

Age Group	Frequency	Percentage
Below 30	6	12%
31-40	25	48%
41-50	18	35%
Above 50	3	6%

Equally important for the long-term benefit of the Greek economy was their relatively high educational attainment level. Ninety percent have tertiary qualifications with over 60% attaining university degrees. At a time of world-wide shortages in skills and a "war for talent," this represents a significant addition to Greece's human capital.

Table 3. Educational Attainment

Educational level	Frequency	Percentage
Technical	14	27%
Undergraduate	29	56%
Graduate	3	6%
Missing	6	12%

While relatively young, the migrant entrepreneurs had important family responsibilities and commitments. Three quarters of them were or had been married and have an average of two children in their care.

Table 4. Marital Status

Marital Status	Frequency	Percentage
Single	10	20%
Married	34	66%
Divorced	5	9%
Other	3	6%

Though not homogenous as a population, the migrants were overwhelmingly West African in origin with over 70 percent coming from Nigeria alone. This part of the continent has a history of unrest and exploitation which may account for the concentration of country of origin statistics.

Table 5. Country of Origin

Country of Origin	Frequency	Percentage
Ghana	3	6%
Nigeria	37	71%
Sierra Leone	6	11%
Other	6	11%

Initial motivation or perhaps stated reason for entry into Greece was the desire to undertake further study. Over three quarters of the respondents attended Greek educational institutions as their last school.

Table 6. Education Country

Education, Country of	Frequency	Percentage
Home Country	12	23%
Greece	40	77%

One unsurprising statistic is that as enterprising entrepreneurs, nearly 90 percent of the respondents owned the business they were working in.

Table 7. Business Ownership Demographics

Ownership Status	Frequency	Percentage
Owner	46	88%
Other	6	12%

Though superficially indicating a significant boom to the Greek economy, the founding, financing, and focus should cause pause for thought. These enterprising immigrants, with little active support from the host nation, and indeed a significant measure of hostility, are creating successful businesses which have the potential to hinder social integration.

Overall, the host country was viewed to be neutral to African entrepreneurs though over a fifth of the respondents reported racist discrimination. In particular, regulatory authority was considered alienating. Forty-three percent of respondents reported that the legal system and government authorities had either treated them badly or made it difficult for them to operate. A further 20 percent were considering leaving Greece to start business in other countries.

In contrast, they looked to their own migrant communities for support which in itself is equally alienating from the host society. Ninety percent expressed that their immigrant community was very supportive which was important for businesses whose prime goal was reported to be survival. This was indicated by financing, customer base, employees, and industry type.

Financing for the businesses came from either their own savings or loans from friends and relatives. Customers were also primarily of African origin and obtained by word of mouth promotion. Over 50 percent of businesses were solely African and for all businesses the majority of their business came from their own community. Similarly, with regard to employees, all businesses reported only employing fellow Africans.

The least understood potential alienation from the host society is business category. While a spread of types of business are indicated from private medical practice to hospitality and general trading, they offer the ability for the overall migrant community not to integrate overall into the wider social and economic community.

Conclusions

This paper is an exploratory review of the role and nature of African immigrant entrepreneurial activity in Greece. It has focussed on business characteristics and demographics in order to determine trends, issues, and challenges of immigrant entrepreneurship and host societies. The study's findings are summarized and theoretical implications are discussed.

While a relatively small study, the 52 African migrant entrepreneurs provide evidence of some clear business trends. As migrants, they are predominantly well educated West Africans who have established small enterprises independent of the private financial sector or public sector support. They represent a wide cross section of products and services but are primarily focussed on supplying the needs of the migrant community from which they come.

In addition to reliance on their own communities for their customer base, these enterprises are similarly dependent on that community for financial support and expertise. This self reliance is further entrenched by the perceived lack of proactive state support for their endeavours and instances of open hostility from host society members.

Discussion

Immigrant entrepreneurs are poised to forge an even stronger presence at all levels of the Greek economy if their current growth rates continue. Their economic contributions include job development for both immigrants and the native-born, interest paid on loans, purchases of raw materials and wholesale goods, contracts for ancillary services, education and training for young entrepreneurs through internships and mentoring, purchase or leasing of business space, and homeownership and rent for residences. Investment in such enterprises is bound to result in a multiplication of capital resources and opportunities for workers. This can only have a positive ripple effect on Greek society in general, where immigrants and their children make up close to 20 percent of the national population.

Driven by poverty and attracted by opportunity, African immigrant entrepreneurs in this study initially focus on improving their educational qualifications and standing. To improve economic status they then overwhelmingly establish sole proprietor operations which directly utilise their training and skills. Though identifying a need to be met, the African immigrant entrepreneurs interviewed for this study highlight the regulatory and social difficulty of setting up a small business. The public sector policies rather than providing support are viewed as at best neutral and by implication an obstacle to their business endeavors.

For Greece to maximise the economic potential of these small business policies, structures need to be devised and deployed that are, and more importantly are seen to be, enhancing rather than hindering development. In addition to direct funding or capital support, business mentoring and education are also needed. The success of the enterprises are potentially compromised by the lack of business expertise. Programs that provide training in strategic planning, marketing, logistics, and financial management are all needed. Such programs, if properly organised and deployed, would assist in the important task of integrating the migrant business operations with the host society.

Further necessitating the integration of the economic and social fabric of migrants with the host society is the fact that migrants represent in the future. These enterprises are run in the main by people under forty and as an educated elite represent in large measure the future leadership of Greece. While exploratory, this pioneering research provides guidance for politicians, policy makers, and community leaders. More importantly it will stimulate further study and debate which by its nature will assist in community capacity building and integration.

Economic and Social Integration of Immigrant Entrepreneurs

Businesses, start-ups, and self-employment among African immigrants in Greece do not exist outside the country's attendant social and economic challenges. The development, successes, and failures of immigrant entrepreneurship are related to the values and norms of the larger society, as well as the prevailing economic and business climate. Non-governmental organizations (NGOs) world-wide are presently seeking to create and implement projects aimed at encouraging immigrant entrepreneurship as a means out of poverty for ethnic groups entering developed countries in search of a better life for themselves and their families.

African immigrants and the difficulties they encounter integrating in the host society are equally part of the complex phenomenon of cross-national cultural flows and labor and other economic flows. Greece, as well as other EU states do not dismiss the contention that integration is a two-way process: that there is a need to address the barriers that migrants face as well as the need for adaptation by the migrants themselves. This approach reflects academic analysis such as this study which suggests that the result of the integration process depends on the interaction between factors inherent in the host society and the characteristics of the migrants. However, host countries have differed noticeably in the emphasis they place on the two variables of this process. Despite continuing differences in approaches seen across the EU, of late there appears to be some convergence on which an EU strategy can build. Nations have also differed in the emphasis they place on integration into the labor market, or on social integration and cultural assimilation. However, avoiding segmented integration calls for the strategy to be multi-tiered so as to achieve:

- Integration into the labor market; especially at a level corresponding to the qualifications and experiences of migrants,
- Social inclusion in mainstream institutions and activities that meet personal and social needs (eg., education, health and social care, housing),
- Inclusion in civic life such as taking an active part in the traditions and obligations of civic society – particularly for migrants looking to remain in the host country over the long term, and

- “Bridging capital,” trust, and good relations with other ethnic groups and nationals as well as the wider community.

Recommendations for Further Research

While revealing, the study lacks breadth and depth. Internally, it is a small cluster readily accessible in urban Athens. Externally, there is no comparison with other migrant groups in Greece, other African migrant groups in other European countries, nor a review of similar entrepreneurial endeavours in African migrants’ home countries. With increase of size and scope, the research will be able to properly inform academe, social, and economic policy makers as well as prospective migrant entrepreneurs.

In particular, on-going research will enable recommendations to be made to government and private-sector agencies for policy formulation and deployment on:

- a) Sustainable small-scale economic development activities by immigrant entrepreneurs,
- b) Financial, social, political, and legislative supports that encourage on-going migrant entrepreneurship and social inclusion, and
- c) Integration of migrant entrepreneurial businesses into existing community economic capacity building projects and strategies.

To achieve this, the next step of this process needs to be an additional expanded study on African immigrant entrepreneurs. Such a study will need to address cross-sectional surveying and analysis that will enable an even more insightful view of migrant business endeavours. Specifically, additional research needs to focus on:

- **Longitudinal analysis:** Look at what business “life stage” each firm is in and characterize its capital structure – mix of debt, savings, reinvestment of profits, etc. – based on these life stages. Based on the preliminary results of this study, recommendation is made for a follow-up three-year longitudinal study of African immigrant businesses in Athens. The follow-up research will use a “small n” case study research method for longitudinal analysis of entrepreneurial ventures at all stages of their business life cycle (Naumes, Naumes & Merenda, 2006)
- **Comparative analysis:** Look at the contrasts and comparisons with other groups, both nationally and internationally
- **Expansion and growth:** Take a closer look at the expansion and growth strategies, including whether growth will be “organic” – same owner – or via alliances, mergers, etc. This closer look could also investigate why some of these firms are closing down
- **Remittance impacts:** Determine how much of business profits are remitted back to immigrants’ home countries
- **Supplier analysis:** Take a supply-side view and see how Greek suppliers view these business customers. Are they able to price discriminate? Do they provide better deals for these start-up businesses? Do Greek suppliers view these business owners as friends, too?
- **Customer segmentation:** Better understand customer segments – demographics, psychographics, profitability, etc. – for these businesses. While one would expect to see a large cultural skew in the customer bases, one was not seen, and a better understanding of why would be helpful for future promotion and growth strategies

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