IMMIGRATION AND ENTREPRENEURSHIP IN GREECE: FACTORS INFLUENCING AND SHAPING ENTREPRENEURSHIP ESTABLISHMENTS BY IMMIGRANTS

Konstantinos S. Skandalis, Visiting Scholar, Claremont Graduate University
Issam A. Ghazzawi, University of La Verne

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ABSTRACT

Immigration takes place for many reasons including: Socioeconomic, political, and religious and it has no boundary. It does impact a few countries for reasons as either a transit or a destination. Immigrant entrepreneurial activities can serve as a route of economic advancement and social mobility for most immigrant groups in their new host countries.

Similar to the rest of the South Mediterranean sea countries, modern Greece has always been connected to immigration and to immigrants. After the communist era in Europe at the end of the 1980s, a large number of immigrants from the former communist countries of Eastern Europe and the Soviet Union have arrived in Greece during a relatively short period of time. With the number of immigrants continually increasing, immigrant owned businesses started to mushroom in Greece.

Utilizing field interviews and a survey questionnaire of 164 immigrant entrepreneurs, this study inquired into the reasons some immigrants turned to entrepreneurship in Greece during the period preceding its financial crises. Accordingly, this study provides insights into a variety of critical factors which determine the creation of immigrant enterprises.

Key Words: Immigrant Business, Entrepreneurship, Greece, First Generation Entrepreneurs, Entrepreneurship Success, Ethnicity, Immigration.

INTRODUCTION

Migration is an important social force shaping the structure and changing the demographic composition of many advanced economies. As migration flows into a country, it could bring social and economic challenges to the host nation. In the year 2010, the number of migrants was estimated at 214 million; and if this number continues to grow at the same pace as the last two decades, it could reach 405 million by 2050 (International Organization for Migration's World Migration Report, 2010).
Sowell (as cited in Robert, 1997) suggested that migration is strongly influenced by the push-pull model of labor mobility. This model is shown to incorporate many of Ravenstein’s laws of migration, to be equivalent to a quadratic transportation problem, and to be related to the mathematics of classical continuous flow models. The push factors are those life situations that give one reason to be dissatisfied with one’s present locale; the pull factors are those attributes of distant places that make them appear appealing (Dorigo & Tobler, 2005). Accordingly migrations occur because of people variations in their geographic settings and historical experiences; and ethnic groups usually differ in their knowledge, skills, and values, which are referred to as human capital, that lead to prosperity (Sowell as cited in Robert, 1997). Most ethnic groups according to Sowell “are transfers of peoples from places where their human capital is abundant to places where it is scarce. Such migrations, he further claims, tend to be redistributions of human capital that benefit the migrating groups and the places in which they settle” (as cited in Robert 1997: 445).

North America and Australia were both destinations for a great number of immigrants. These two lands were settled by migrant groups arriving into North America since the 17th century, and into Australia in the 18th century (Sporakowski, 1993). However, towards the end of the twentieth century, Europe had emerged as a great magnet for millions of immigrants displaced from their homelands by political and economic reasons. Many European countries have attracted many immigrants as results of governmental changes in the Eastern European countries.

Greece was no exception; it did and continued to receive a wave of immigrants from the former Communist bloc counties as well as other nations as a result of traditionally good and peaceful relationship with these countries. In addition to that, the proximity of Greece to these countries (see the map in Figure 1) as well as its relative better standard of living as compared to immigration’s source nations were the main reasons that led many to choose Greece as a country of destination (Karassavoglou, Alexiou, & Zoumboulidis, 2008).

The aforementioned wave of new illegal immigrants in the early 1990s, constituted one of the most important changes in the Greek economy and society. The increase in small business activities among immigrant groups in the US and Europe has been of great interest to social scientists (Rath & Kloosterman, 2000). When immigrants start their own business and become successful, they also create job opportunities for others within the same ethnic group.

According to Rath and Kloosterman:

If economically successful, immigrant entrepreneurship provides work and income exactly for those members of categories of the population who face, on average, substantial obstacles on the labor market which leads to their persistently high rates of unemployment. The economic impact of immigrant entrepreneurs is even more important than just providing jobs for themselves and their employees because they may
indirectly contribute to employment opportunities for immigrants by networking along the suppliers’ chain (2000: 3-4).

The new immigrants coming into the Greek society grew in number and as a consequence many of them chose to become self-employed by starting their own business; mainly in Athens, the Greek capital.

The purpose of this paper is to examine what factors influenced immigrants to engage in new business activity in Greece and how such factors have shaped Greece’s entrepreneurship in the era before the country’s historic debt crisis that exploded in fall 2009 and generated major challenges to the Euro-Zone as Greece was drowning in debts.

**Figure 1. Map of Greece and Eastern Europe**

Source: http://camiapp.files.wordpress.com/2011/12/easterneuropecolortext.jpg

**THEORITICAL FOUNDATION OF THE STUDY**

**Greece: From Emigration to Migration**

Since the establishment of the Modern independent Greek state in 1830 with the Treaty of London, Greece like many other South Mediterranean countries, has always been connected
with immigration. Greeks immigrated to Central and Eastern European countries; Ottoman Empire, and to Egypt among other immigration destinations.

Two important waves of mass emigration took place after the formation of the Modern Greek state in the early 1830s, one dated to the era of late 19th and early 20th century; and the second following the Second World War. During the later period almost a sixth of Greece’s population emigrated to the United States and Egypt (Kasimis & Kassimi, 2004).

**Greeks Early Immigration: The Era of the 19th century**

The Greek immigration to the Western World was shaped in the 19th century. The very first significant Greek community to develop in the US was in the 1850s in the city of New Orleans in Louisiana (Federation of the Hellenic Societies of Greater New York, n.d.). By 1866, the Greek community became prosperous and sizable enough to have a Greek consulate and its first Greek Orthodox Church in the United States; and by the year 1890, an estimated 15,000 Greeks were living in the US (Federation of the Hellenic Societies of Greater New York, n.d.). The influx of Greek immigrants in the 1890s and early 20th century was due largely to economic opportunities in the U.S., and hardships caused by the Ottoman rule in the Asia Minor and Aegean Islands, the Wars of the Balkan, and the World War I. As a result, over 450,000 Greek workers and their families arrived in the US between 1890 and 1917 (Frangos, n.d.). While many of them reside in the cities of the Northeast states; some moved to the Western part of the country and labored on railroad construction and in mines. In the era of the 1918-1924, another 70,000 Greeks arrived in the U.S. While many of them remained laborers, some became entrepreneurs. At a rapid rate they established restaurants, markets, hotels, candy stores, bars, street vendors, and other small businesses (Federation of the Hellenic Societies of Greater New York, n.d.; Kitroeff, n.d.).

**The Greek Civil War: 1946-1949**

The Greek Civil War was the result of a highly polarized struggle between leftists and rightists which started in 1943 and targeted the power vacuum that the German-Italian occupation during World War II had created (Kotora, 1985). The Greek’s Civil War was fought from 1946 to 1949 between the Greek government army and the Democratic Army of Greece (DSE), the military wing of the Greek Communist Party (KKE) (AvaxNews, 2011; Chomsky, 1994). This war signaled the first signs and showed one of the first conflicts of the Cold War. Accordingly, while the Greek’s government army was backed by the United States and the United Kingdom; its rival-the Democratic Army of Greece (DSE) was backed by the regional Communist regimes of Bulgaria, Yugoslavia, and Albania. This war represented the early examples of postwar super power involvement in the internal strives of other nations (AvaxNews, 2011; Chomsky, 1994).

One of the most serious problems of post war Greece was unemployment which was followed by tremendous economic repercussions. The intensive emigration was inevitable. Many Greeks emigrated to the U.S., Australia and to the Western Europe. While it was estimated that approximately 1.2 million people left Greece, many of them returned (Cholezas & Tsakloglou, 2008).
In the first half of 1970s international (the oil crisis of 1973) and domestic events (the restoration of democracy in 1974 after seven years of dictatorship) combined with the enhancement of the Greek economy and severely halted the emigration flow. In the early 1990s a drastic change started to happen making Greece an immigrant recipient country. The collapse of the communist regimes in Eastern Europe caused an unprecedented influx of economic immigrants. Like any other Southern European countries (i.e. Portugal, Spain, and Italy), Greece received a large number of undocumented immigrants mostly from the Balkans and the former USSR countries and experienced a rapid immigration shift predominantly from neighboring Albania (Hatziprokopiou, 2008).

On a television interview, Nikitas Kaklamanis, Athens former mayor, stated that one hundred thousand illegal immigrants cross Greek borders from Turkey alone every year, but only five thousand of them are sent back by state authorities (Skandalis, 2012). Additionally, Albania’s long, porous border, bad economic conditions, and the need for cheap labor in Greece contributed and explained the fact that the majority of those who entered Greece illegally came from neighboring Albania (Hatziprokopiou, 2008; Skandalis, Danopoulos, & Liargovas, 2008).

Since 1990s, the increasing rate of immigration into Greece has been phenomenal. The first wave of immigrants came from Bulgaria, Romania, Poland and the former USSR countries. Hence, immigrants’ inflow reached great numbers when Albanians started coming into Greece. By the end of the millennium, the immigrant population in Greece has risen to more than seven per cent of its inhabitants, thus making Greece a country of immigrants. The 2001 census showed that 762,191 immigrants reside in Greece, a figure that surpasses more than twenty times the approximately 30,500 immigrants of 1951 (Cavoundis, 2002; Skandalis, 2012). Those immigrants came mostly from neighboring Balkan countries due to geographical proximity (Cavoundidis, 2002).

A 2004 report by the Mediterranean Immigration Observatory group, estimated the number of legal and illegal immigrants in Greece to about 950,000 (Hellenic Migration Institute, 2004); the majority—i.e. about 80%, are between the ages of 15-64 years old. Other sources put the number of immigrants at much higher level (Kathimerini, 2007). Cited European Commission sources, the Greek press projected that by 2030, the number of first and second generation immigrants will reach 2.75 million (Kathimerini, 2007). According to the Hellenic Migration Institute (2004) the composition of the residence permit holders in Greece (referring to legal immigrants) is 80% originated from Central Europe; followed by Asia (principally from Pakistan, Georgia, India, Philippines, Bangladesh, Armenia, and China); and lastly the European newly independent States (Russia, Ukraine, and Moldova).

The 2001 census has shown that immigrants from Albania alone account to more than half of all immigrants into Greece. Albanians constitute some 56% of total number of immigrants (Hellenic Migration Institute, 2004), making Greece a very unique country in the European Union by having one dominant immigrant group in excess of 50% of its immigrant population. Albanians are followed by Bulgarians (5%), Georgians (3%) and Romanians (3%).
The greatest cluster of immigrant population lives in the Municipality of Athens and Thessaloniki (Hellenic Migration Institute, 2004).

In Greece, according to Cholezas and Tsakloglou (2008), over 90% of immigrants are employees, 6.5% appear to be self-employed and 2.8% are employers. Many immigrants and their families turned to small business, some in ethnic enclaves and others in wider markets. During the early 2000s, an immigration bill passed, and consequently has resulted in giving the majority of immigrants a legal status in Greece. That passage coincided with the European Union accession of ten Central and Eastern European states in 2004 and 2007 that eased requirements for a great number of nationals of countries like Bulgaria, Romania and Poland to live, work, and acquire business in countries that are part of the EU such as Greece (Hatziprokopiou, 2008).

On March 2010, a new bill became law in Greece. The bill opens a path to Greek citizenship to the children of immigrants who were or will be born and raised in Greece (Athens News, 2010). While the impact of legal status on self-employment is not clear, Kossoudji and Cobb-Clark (2002) examined the effects of the Immigration and Reform Control Act (IRCA) of 1986 in United States of America, which included an amnesty allowing illegal immigrants to obtain legal status; argued that Latino workers having legal status through IRCA started to gain increased wages. Accordingly, a wage increase is possible to make the entrepreneurial start-up a less likely choice among immigrants. Contrary to that, Fairlie and Woodruff (2010) argued that legal status, can affect earnings from self-employment via the ability of those who gained legal status to access institutional resources needed for entrepreneurs (i.e. court system). Furthermore, they argued that legal immigrants are more likely to own property that might be used as collateral when doing business, giving them access to line of credit. Accordingly, one can imply that the relationship between immigrants’ legal status and immigrant entrepreneurship is positive.

Immigrant Entrepreneurship

Entrepreneurial initiatives represent a very important element in the dynamic development of a country’s economy. It is an important economic phenomenon, increasingly addressed in the social science research. Governments all over the world, implement policies to promote new venturing activities. However, the problem of defining the word “entrepreneur” and establishing the boundaries of the field entrepreneurship still exists (Bruyat & Julien, 2000). Entrepreneurship is the act of being an entrepreneur and according to the French tradition, this implies “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods” (Abouzeedan & Hedner, 2010: 1). Webster dictionary (2013) defines an entrepreneur as “the organizer of an economic venture; especially one who organizes, owns, manages, and assumes the risks of a business”. Carpenter, Bauer, & Erdogan (2009) define entrepreneurship as the recognition of opportunities (needs, wants, problems, and challenges) and the use of resources to implement innovative ideas for new, thoughtfully planned ventures. This may result in new business (or start-up firms) or may be part of revitalizing
mature business in response to a perceived opportunity. According to the European Commission (2003), entrepreneurship is an attitude that reflects an individual’s motivation and capacity to identify an opportunity and to pursue it in order to produce new value or economic success.

The entrepreneurship as a subject of research becomes more complex when seeing it from the angle of migration. The increase in numbers of immigrants in Greece in the last two decades, has also led to an increase in the immigrant entrepreneurship. In the early 1980s, only very few immigrants were registered as performing self-employment activities. According to Lazaridis and Koumandaraki (2003) “since the 1990s the majority of migrant workers have been taken low paid, unskilled jobs in the informal economy” (1). However, the self-employment structure of immigrants to Greece changed tremendously since the early years of the 21st century. Thus, the increasing number of immigrant enterprises reflects a business reality that has become more and more common after the advent of the new century. In this study, entrepreneurs are defined as those business owners who employ family labor as well as those who create employment for others.

Some surveys on immigrant self-employment identify the role of managerial and other individual abilities among significant determinants of engaging in self-employment. Many studies suggested the existence of certain personality features or traits that could be associated with the entrepreneurial activity (McClelland, 1961, as cited in Liñán, Rodríguez-Cohard, & Rueda-Cantuche, 2011). Immigrant and non-immigrant entrepreneurs alike share the majority of these traits. McClelland (1961) was the pioneer in studying the characteristics of an entrepreneur. He posited that individuals who have strong need for achievement are more likely to engage in activities or tasks that have a high degree of individual responsibility for outcomes; require personal skills and efforts; and include feedback on performance.

On the other hand, some people choose to become entrepreneurs as a way for independence and psychological improvement. Hisrich (1985) argued that one of the prime motivations for starting a business was a desire for independence (as cited in Shane, Locke, & Collins, 2003). Independence is connected to taking responsibility for one’s own life rather than living off the efforts of others. Immigrants are no different; their desire for independence, their need for personal status, their values and characters can lead them to have the desire of grabbing entrepreneurial opportunities.

status in the community. Furthermore, if ethnic communities have special sets of needs or preferences that are best served by those who share those needs and know them intimately, then ethnic entrepreneurs have an advantage (Aldrich & Waldinger, 1990 cited in Liargovas and Skandalis, 2012). Yinger (1985) suggested that when ethnic person is linked to group, the members have some awareness of group membership and a common origin and culture. Agrawal and Chavan (1997) found that the ethnic community had varied reasons for undertaking business at their career including: arrival circumstances, settlement, education, financial status, family background, job market, knowledge of language, past experience, no job satisfaction, retrenchment, independence, bad job condition, discrimination, better opportunities, opportunities for better financial benefits, and personal characteristics. According to Agrawal and Chavan (1997:11) “Most of the Lebanese said they were into business because they had their uncles, fathers or brothers into business who helped them (a case of family background)” while “the Spanish and the Polish said that they had tried hard getting jobs but because of the lack of knowledge of English and the non-recognition of their qualifications they had to go into business to survive” (Agrawal & Chavan, 1997:11).

Despite of the mounted literature on immigration and entrepreneurship, only a few researches have provide answers and explanations to the questions of why immigrants to Greece establish their own businesses and engage in self-employment.

Zhou (1992) argued that entrepreneurship represents a significant avenue for economic progress of immigrant minorities. The existing literature distinguishes between two main types of ethnic entrepreneurs: (1) The ethnic enclave entrepreneurs and (2) the middleman-minority entrepreneurs (Zhou, 2008). According to Zhou (2008), ethnic enclave entrepreneurs include those who are bounded by ethnicity, an ethnic community’s social structures and a by geographic location. This type of entrepreneurs operate businesses in immigrant neighborhoods where their own ethnic group dominates and they “themselves” are also connected in a system of ethnic social networks within a self-sustaining ethnic enclave. The second type “the middleman minority” refers to the minority groups that have played an intermediary economic role between producers of the dominant group and minority customers in different societies (Zhou, 2008; Min & Bozorgmehr, 2003). Those entrepreneurs trade in between a society’s elite and masses (Zhou, 2008). In the past they were sojourners, focused on making a quick profit from their businesses and then reinvesting their earnings elsewhere, often implying a return home (Bonacich, 1973).

Discrimination in the labor market is a form of disadvantage of ethnic minorities. It results in unemployment among immigrants, and thus becomes an impediment to well-paid jobs. That forces immigrants to undertake the self-employment opportunity.

According to Model and Lapido (1996) immigrants are given second preference to natives as employees. Clark and Drinkwater’s (1998) argued that self-employment for an immigrant is an escape from discrimination in the paid employment sector. New immigrants who are not fluent in the Greek language are limited in their ability to use the skills acquired in their native country of origin. Consequently, there is often no other option for some immigrants but to
choose self-employment as their economic survival and social mobility. In other words, entrepreneurship is the alternative means of economic advancement for marginalized groups (Hiebert, 2003). Self-employment experience of immigrants in the United States shows that the economic success of immigrant groups, such as the Chinese, Japanese, Jews, Italians, and Greeks among others, is partially due to their ownership of small businesses (Bonacich & Modell, 1980). Business ownership is the main alternative to wage employment for making a living, and thus it has significant implications for earnings and wealth inequality (Bradford, 2003).

Wennekers, Uhlaner, and Thurik (2002) proposed that technology, level of economic development, culture and institutions influence the demand for entrepreneurship by creating opportunities available for start-ups. On the other hand, Krueger and Pischke (1997) argued that the higher rate of job creation in the United States compared to that of Europe is likely linked to the relative easiness of new entry and expansion by an entrepreneurial firm. Immigration countries, like the United States, Australia and Canada place virtually no formal barriers to immigrant geographical or economic mobility and thereby facilitating the potential of immigrant business start-up (Aldrich & Waldinger 1990).

Some surveys on immigrant self-employment identify the role of managerial and other individual abilities among significant determinants of engaging in self-employment. Many authors looked for the existence of certain personality features or traits that could be associated with the entrepreneurial activity. Immigrant and non-immigrant entrepreneurs share the majority of these traits. Some people choose to become entrepreneurs as a way for independence and psychological improvement. Hisrich (1985) argued that one of the prime motivations for starting a business was a desire for independence. Independence is connected to taking responsibility for one’s own life rather than living off the efforts of others. Personal status of immigrants, their values and characters can lead them to the desire of grabbing entrepreneurial opportunities. The entrepreneurial process involves acting in uncertainty. Venkataraman (1997) argued that several theories of entrepreneurship view the entrepreneur as bearing residual uncertainty. Furthermore, risk-taking propensity and opportunity influence entrepreneurial decisions (Shane & Venkataraman, 2000).

Mata and Pendakur (1999) viewed self-employment as a natural extension of the ethnic enclave which offers both stability and employment to group members. Greve and Salaff (2005) argued that by sharing the same culture, ethnic enclaves enforce trust and business norms among ethnic groups and give business owners the opportunity to use co-ethnic networks for economic support and other resources. Marger (2001) investigated the role of immigrant networks and family ties in the establishment and operation of Canadian businesses. Access to networks in the home and host country is necessary for immigrant firms. An important motive for immigrant self-employment may be the enhancement of social status in the community. Furthermore, if ethnic communities have special sets of needs or preferences that are best served by those who share those needs and know them intimately, then ethnic entrepreneurs have an advantage (Aldrich & Waldinger, 1990). Yinger (1985) suggested that when an ethnic person is linked to
RESEARCH METHODOLOGY

Research Design and Procedures
This study assesses the factors influencing immigrants to engage in new business activity in Greece and how these factors have shaped entrepreneurship in the era before the debt crisis. The study included 164 immigrant entrepreneurs operating mostly in the Greek capital Athens and its suburbs. The study consisted of a short form standardized 14 questions’ survey followed up with a short open–ended interview. Participation was totally voluntary and survey responses were confidential. Participants were asked to sign a consent form identifying the purpose of this study and indicating their awareness that their participation in this study was voluntary and that they had the right to withdraw at any time without consequences of any kind. The field study interviews and questionnaires took place during the year 2010, at the early stage of the Greek debt crisis.

Sample Description
The sample composed of 164 participants’ (138 male and 26 female) immigrant entrepreneurs who own and operate small businesses that include: Manufacturing and distribution of wide variety of products and services; food establishments; tobacco shops; clothing; newspapers’ stands; leisure goods; wholesale trade; and other services. While these entrepreneurs came principally from east European countries (i.e. Albania, Bulgaria, and the former Soviet Union countries). Please refer to Table 1 for a summary of the sample characteristics.

Immigrants’ entrepreneurs were asked to respond to a survey questionnaire to indicate which of the fourteen suggested determinants of immigrant entrepreneurial variables were the most important to them when engaging in entrepreneurship. The list of said fourteen activities was based on both the existing literature (e.g. Liargovas & Skandalis, 2012; McClelland, 1961; Hisrich, 1985; Skandalis, Danopoulos & Liargovas, 2008; Venkataraman, 1997; Wennekers, Uhlner, & Thurik, 2002; and on the pre-survey conversations with immigrant entrepreneurs.

While preparing to map out the study and to validate its survey questions, the study utilized a pre-test by selecting a sample of 12 immigrants’ entrepreneurs in Athens. Said pre-selected sample of 12 participants were asked a simple question of “what was your reason(s) to
engage in business venture in Greece” through giving them a menu of reasons (i.e. variables) that were summarized by the authors based on a pre-study interviews.

All respondents to the survey have the knowledge to answer the survey. Respondents’ age distributions were as follows: (1), 6.1% (n=10) 25 or under; (2), 16.5% (n=27) 26-35; (3), 36.6% (n=60) 36-45; (4), 27.4% (n=45) 56-55; and (5), 13.4% (n=22) 55 or above. When asked “if the respondents actually have started the business or it was acquired from someone else” it was revealed that 92.1% actually started their business (n=151) and only 7.9% (n=13) were not the original principal, and that they acquired it from someone. Please refer to Table 1 for detailed characteristics of the study sample.

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<th>Table 1: Characteristics of the Sample (N=164)</th>
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<td>Who Started the Business</td>
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Non-Founder**** | 13 | 7.9
Total | 164 | 100.00

* Former USSR (i.e. Former Soviet Republics). These 15 independent states seceded from the Union of Soviet Socialist Republics in its dissolution in December 1991. These currently independent states in alphabetical order are: Armenia; Azerbaijan; Belarus, Estonia; Georgia; Kazakhstan; Kyrgyzstan; Latvia; Lithuania; Moldova; Russia; Tajikistan; Turkmenistan; Ukraine; and Uzbekistan (Smith, 2001).

** Services includes all types of businesses ranging from plumbing, money exchange business, restaurants, transportation services, entertainment business, to name a few.

*** First generation means “being the first generation of a family to be born in a particular country”. It could also mean “to be a naturalized citizen of a particular country” (Dictionary.com)

**** Second generation means “being the second generation of a family to be born in a particular country” (Dictionary.com). It could also mean “the native born child of naturalized parents” (Dictionary.com).

***** Means that the current owner purchased the business from someone else. He/she is not the original founder.

MEASUREMENTS AND METHODS

The fourteen identified variables in motivating immigrants to involve in entrepreneurship activities were: (1) Family financial needs; (2) Knowledge of immigrant needs (i.e. they know what products or services meet the needs of their compatriots; (3) Need for independence (“to be the boss of myself”); (4) The creation of job opportunity(ies) for other family members; (5) Existence of many immigrant compatriots in the area that could become customers (there is a market to serve and there are people to buy their products or services); (6) Need for achievement; (7) The level of unemployment, it is hard to find a job; (8) The support that I get through a close relationship among my compatriots’ community; (9) The existence of an opportunity-opportunity identification; (10) Enhancement of family/personal social status; (11) Available market segment (i.e. no other business in the area offers the needed ethnic products); (12) Risk propensity (i.e. not a risky venture); (13) Greek state policies, programs, and immigration laws (for example the Greek parliament passed two bills (in 2001 and 2005) extending legal status, but not citizenship, to the majority of documented immigrants. There are also available governmental and EU funds to support entrepreneurship); and (14) Technological and institutional support that aid economic development and business opportunities. Based on the last criteria, entrepreneurial training programs, business incubators, easy access to bank loans for business purposes (before the last economic crisis, obtaining a business loan was easy), telecommunications infrastructure, and available information technology all helped creating entrepreneurial opportunities in Greece.
Additionally, during the last two decades the changes to the road infrastructure, rail, urban transport, and airports have all led to a vast improvement in transportation. These types of infrastructure upgrades have played a key role in supporting Greece's economy, which in turn have created business opportunities to many in the era before the sovereign debt crisis.

Immigrants’ entrepreneurs were asked to respond to the aforementioned fourteen questions. Our study is based on a Likert-type scale anchored with 9 frequency adverbs ranging from “not so important” to “extreme important”. The inclusion of this type of scales in survey questionnaires is a popular technique for collecting data on human knowledge, behavioral preferences and attitudes (San tos and Clegg, 1999). Additionally, they were given the opportunity to write a brief testimonial or an experiential reflection.

Participants returned their completed survey to the researchers’ mostly in person or in a provided envelope. They were also guaranteed that all information would remain confidential. Said confidentiality was maintained by means of separating participants’ consent forms from survey and interviews’ questionnaires.

The scope of the study is focused around four factors: (1) entrepreneurs’ survival prospects at the host country (variables that are innate to the person), (2) influence by other immigrants, (3) entrepreneurial personal characteristics (pertain to the immigrant’s entrepreneur), and (4) market conditions and other institutional support and infrastructure.

The measures of the entrepreneurs’ self-motivation and survival prospects at the host country were derived from respondents’ responses to four questions 1, 2, 3 and 4 of the study. These questions encompass the following variables: Family financial needs; (2) Knowledge of immigrant needs (i.e. they know what products or services meet the needs of their compatriots; (3) Need for independence (“to be the boss of myself”); and (4) The creation of job opportunity (ies) for other family members.

To measure the extent of the influence by other immigrants that is instrumental for an immigrant to start her/his business and becoming an entrepreneur, responses to the questions 5, 6, 7, and 8 of the study were gathered. These questions are: (5) Existence of many immigrant compatriots in the area that could become customers (there is a market to serve and there are people to buy their products or services); (6) Need for achievement; (7) The level of unemployment, it is hard to find a job; and (8) The support that I get through a close relationship among my compatriots’ community.

We also measure the characteristics that pertain to the immigrant entrepreneur. These characteristics are based on the responses to the questions 9, 10, 11, and 12. These questions are: (9) The existence of an opportunity/opportunity identification; (10) Enhancement of family/personal social status; (11) Available market segment (i.e. no other business in the area offers the needed ethnic products); and (12) Risk propensity (i.e. not a risky venture).

Finally, we measure the conditions pertaining to the market. The variables included in this factor are related to the impact of the government (and other institutional) support and infrastructure that directly or indirectly encourages business creation. Accordingly, responses to
two more questions 13 and 14 of the study were added: (13) Greek state policies, programs, and immigration laws (for example the Greek parliament passed two bills (in 2001 and 2005) extending legal status, but not citizenship, to the majority of documented immigrants. There are also available governmental and EU funds to support entrepreneurship); and (14) Technological and institutional support that aid economic development and business opportunities.

RESEARCH PROPOSITIONS

The following priori propositions were developed by the researchers:

**Proposition 1:** Most immigrant entrepreneurs’ engage in starting their own business as result of self-motivation and other personal needs.

**Proposition 2:** As new immigrant entrepreneurs become successful, they encourage other immigrants to start their new ventures.

**Proposition 3:** While immigrant entrepreneurs bring know-how business knowledge, they have innate personal characteristics that help identifying a new opportunity in their host nation.

**Proposition 4:** Market condition and institutional support of the host nation motivate immigrant entrepreneurs to start a new opportunity.

FINDINGS AND DISCUSSIONS

The purpose of this study was to examine the factors influencing immigrants’ engagements in new business activity in Greece and how these factors have shaped Greek entrepreneurship in the era pre the country’s historic debt crisis.

As indicated before, the determinants of entrepreneurship were measured using fourteen variables. Respondents were asked to indicate the importance of the various indicators for them to engage in entrepreneurship, using a nine-point Likert scale ranging from 1 (not at all important) to 9 (very important).

Table 2 shows study’s minimum/maximum responses’ values; mean, and standard deviation for each of the variables.

From the study, it was noted that a high degree of correlation existed among a number of responses to some variables. According to Santos et. al (1998) the traditional statistical methods for analyzing survey responses like measures of central tendency, frequency analysis and t-test do not account for correlation occurring at scale level responses. That is why we need a more complex analysis in order to test our propositions. Santos and Clegg (1999) argue that factor analysis is a variable-reduction statistical technique able to probe underlying relationships in variables using Likert-type scales because it removes metric redundancies from a survey and extracts the common thread that connects the variables together. In other terms factor analysis is
a statistical procedure, which extracts a small number of latent variables from a larger set of observed variables. It shows the interrelationships among the variables by forming new sets of data, which express commonalities among the original variables (Nickerson and Sloan, 1999).

<table>
<thead>
<tr>
<th>Table 2: Study’s Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>1. Family financial needs</td>
</tr>
<tr>
<td>2. Knowledge of immigrant needs</td>
</tr>
<tr>
<td>3. Need for independence</td>
</tr>
<tr>
<td>4. Job positions for family</td>
</tr>
<tr>
<td>5. Number of Immigrant compatriots in</td>
</tr>
<tr>
<td>market</td>
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<tr>
<td>6. Need for achievement</td>
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<tr>
<td>7. Level of unemployment</td>
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<tr>
<td>8. Close relations among immigrants</td>
</tr>
<tr>
<td>9. Opportunity identification</td>
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<tr>
<td>10. Enhancement of status</td>
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<tr>
<td>11. Empty market segment</td>
</tr>
<tr>
<td>12. Risk propensity</td>
</tr>
<tr>
<td>13. State policies</td>
</tr>
<tr>
<td>14. Technology, level of economic</td>
</tr>
<tr>
<td>development, institutions</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

Thus, to identify an underlying structure for the different determinants given above and to see whether certain factors measure one specific determinant concept, a factor analysis of all determinants was performed. We make an investigation to see if there are common factors that might explain underlying beliefs about perceived motivations for immigrant entrepreneurial activity in Greece. An important decision in factor analysis is the criterion for the number of components (or factors) to retain. According to Conway and Huffcutt (2003) some of the options to retain the number of factors with a high proportion of variance or the most interpretable solution include Kaiser’s (1956) “eigenvalues greater than one” rule and the Scree plot test.

The Scree plot [in Figure 2], shows the components (the four factors as described in the study’s methodology) as the X axis and the corresponding eigenvalues as the Y-axis. As we move to the right side, the eigenvalues drop. An eigenvalue criterion of 1 or greater was established as a criterion to determine the factors to be rotated and to aid in the identification of clusters of related responses. The eigenvalue of a factor shows the variance in all the variables for that factor. If a factor has a low eigenvalue, then it is contributing little to the explanation of variances in the variables and may be ignored as redundant with more important factors (Wikipedia, 2013). Orthogonal rotation (Varimax) with Kaizer normalization resulted in factor loadings reported in Table 3.
The rotation was converged in four iterations, where the original orders of the responses have been rearranged to reflect the order of the factor structure. Four factors with eigenvalues greater than one were extracted, explaining 87.70% of the total variance. To assess the reliability of the explanatory power of the described factors, the Cronbach’s alpha for each factor is calculated based on the determinants that are included in each factor. The Cronbach’s alpha is 0.862 for factor 1 (self-motivation and success prospects’ factors); 0.884 for factor 2 (influence by other immigrants); 0.875 for factor 3 (entrepreneur’s innate personal characteristics) and 0.586 for factor 4 (market conditions and other institutional support, and infrastructure).

In many studies, a Cronbach’s alpha more than 0.5 is used to indicate that the measurement is reliable. For the four factor analyses this means that factor 1, followed by factors 2 and 3 and 4 are valid measures for the variance in this study. This indicates that the determinants included in the above factor analysis are a reliable measurement for the importance of these factors at the period of research. When judging the factor loadings for their relevance to the explanatory capabilities of a certain factor, Kline (1994), suggests that a factor loading above 0.6 is high, a factor loading above 0.3 is moderately high and factor loadings under 0.3 can be ignored. This means that a factor correlates with the entrepreneurial motivation measures which have factor loadings above or near 0.6. In each of the four factors identified in the factor
analysis, all factor loadings are near or above 0.6. In the rotated component matrix of the factor analysis, which is given in Table 3, the important loadings for each factor are italicized. The reasons for the inclusion or exclusion of the entrepreneurship motivations regarding the four factors will be explained below.

Table 3: Factor Analysis (Rotated component matrix converged in 4 iterations). Extraction Method: Varimax with Kaiser Normalization.

<table>
<thead>
<tr>
<th>Study Variables</th>
<th>Study Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study Variables</td>
<td>1</td>
</tr>
<tr>
<td>1. Job positions for family</td>
<td>.956</td>
</tr>
<tr>
<td>2. Level of unemployment</td>
<td>.947</td>
</tr>
<tr>
<td>3. Enhancement of status</td>
<td>.937</td>
</tr>
<tr>
<td>4. Family financial needs</td>
<td>.920</td>
</tr>
<tr>
<td>5. Close relations among immigrants</td>
<td>.042</td>
</tr>
<tr>
<td>6. Number of Immigrant compatriots in market</td>
<td>.087</td>
</tr>
<tr>
<td>7. Empty market segment</td>
<td>.001</td>
</tr>
<tr>
<td>8. Knowledge of immigrant needs</td>
<td>.126</td>
</tr>
<tr>
<td>9. Opportunity identification</td>
<td>.197</td>
</tr>
<tr>
<td>10. Risk propensity</td>
<td>.132</td>
</tr>
<tr>
<td>11. Need for achievement</td>
<td>.260</td>
</tr>
<tr>
<td>13. State policies</td>
<td>.112</td>
</tr>
</tbody>
</table>
| 14. Technology, level of economic development, institutions   | -.129| .177| .243| .599| Cronbach’s Alpha: 0.862, 0.884, 0.875, 0.586
| % of Variance                                               | 27.198| 26.484| 25.795| 8.294|
| Cumulative %                                                | 27.198| 53.681| 79.476| 87.770|

When analyzing the component matrix in Table 3, one can see that the variance of 27.198% which is explained by factor 1, positively correlates with questions 1 through 4 of the study variables; the variance of 26.484%, which is explained by factor 2, also correlates positively with questions 5, 6, 7 and 8 of the study questions; the variance of 25.795% which is explained by factor 3 positively correlates with questions 9, 10, 11 and 12 of the study questions; and finally the variance of 8.294% explained by factor 4 positively correlates with questions 13 and 14 of the study questions. See also Figure 3.

This factor analysis resulted in four factors which together explained 87.77% of the variance, with the first two factors (personal factors and influence by others) explaining 53.681%.

Accordingly, we can describe the four factors by looking at the magnitude and sign of the loadings given in Table 3.
In factor 1 there are loadings higher than the other factors. “Job positions for family” and “Level of unemployment” are loaded with 0.956 and 0.947 respectively while “Enhancement of status” and “Family financial needs” are loaded with 0.937 and 0.920 respectively. The loadings for factor 1 suggest that immigrants who rank highly along this dimension display high need to find a job for themselves and their family members, to ameliorate their social position and support their family financially. We label this factor as a measure focused on the survival prospects at the host country. This factor supports proposition 1 of this study stating that “most immigrant entrepreneurs’ engage in starting their own business as result of self-motivation and other personal needs”. Additionally, this finding is consistent with some immigrants’ testimonials (stated and documented by the authors). As one Albanian immigrant entrepreneur named “Arben” told one of the authors:

_I was unemployed and it was very difficult to raise my family. So, I purchased my small business in early 2007. My sons and my wife work with me now. Firstly I felt totally overwhelmed at suddenly being a business owner. Then I started feeling comfortable running the day to day operations. Being an entrepreneur has been one of the best decisions I have made for my professional and family development._

Another Albanian immigrant, Flori added “my family believed that I could do it and I lived up to their expectations as I organized and led my small business. They are proud for me!”

Additionally, a business owner from Poland “Krzystof” said:

_I have known for some time that I am the type of person who needs to be self-employed. Prior to my dealings with my small business, I was trying to find what to do in order to achieve this goal. I even searched the business opportunities in my country with no success. However, once landing on_
an idea for my business here, I was able to realize my dream”.

As for personal reasons, one immigrant from Bulgaria named “Mitko” stated:
I borrowed €7,000 and started my own small business in Greece. Because I took the risk of starting a business and the fact that I am making money from the start, not only boosted my confidence, but it reinforced my belief that I can raise my family as an entrepreneur.

One immigrant, “Emir” from Albania commenting on the needs for independence said:
I did not like my previous boss. I dreaded going to work every day, so I decided to quit my job and start my own business. Now, I make the rules, rather than following someone else’s and I can create my own work environment as comfortable as possible. I also have a direct impact on the success or failure of my business, and on how much income I make.

Finally, Olion, an Albanian immigrant said:
I was laid off from my first full-time job in Greece eight months after I was hired. I went back to work only to discover a year later that it was time to resign. My job didn’t align with my goals so I wanted to move into a different role that better suited my skills and personality.

We label factor 2 as a measure of the influence by the other immigrants. This dimension is dominated by the variables of “Close relations among immigrants”, “Number of immigrant compatriots in market”, “Empty market segment” and “Knowledge of immigrant needs” because they have a higher loadings for component 2, compared to component 1, 3 or 4. Thus, this factor will yield a high score for immigrants that have been influenced in their social and economic way of life by other immigrants. This component supports proposition 2 of the study that states “as new immigrant entrepreneurs become successful, they encourage other immigrants to start their new ventures”. In a testimonial, Sasha (an immigrant from Ukraine) said:
My cousin was very instrumental in giving me access to the Greek market. He runs a similar enterprise in this country and he introduced me to key people, helped me understand the relationships between potential suppliers and customers, and provided strategic inputs to all aspects of starting my own business.

Another immigrant from Albania (named Mirela) added:
My former employer was a respectful business owner who motivated me to exceed my expectations. I felt comfortable and I actually enjoyed my job. One day he invited me for lunch. He was going to retire but he did not like to shut down his business and lay me off. So, he asked me if I
wanted to be an entrepreneur and buy the business at a very reasonable price. I did not want to be unemployed so I decided to take the risk and accept his offer. I run the business now.

Regarding factor 3, it is clear which incentives are important. The third largest factor describes the entrepreneurial personal characteristics. The weights for all four personality characteristics (“Opportunity identification”, “Need for achievement”, “Risk propensity” and “Need for independence”) are large and positive, which means that they are found to have strong relationship with the immigrants’ perceptions of the factors encouraging them to become entrepreneurs. This relationship shows that personality traits play an important role in shaping entrepreneurial characteristics among the respondents. Proposition 3 is confirmed. Proposition 3 states “while immigrant entrepreneurs bring know-how business knowledge, they have innate personal characteristics that help identifying a new opportunity in their host nation (i.e. Greece)”. This finding was beautifully illustrated by a Ukrainian immigrant named Gallina who stated “I was impatient but the excitement of seeing my small business fly is immense. It was a powerful feeling. It’s the hit that every entrepreneur waits for”. Another Russian entrepreneur named Irina added: “I was able to reconstruct my life here around the things that excite me which has attracted amazing clients. I love my small business”. See also Appendix I for excerpts from selective participants’ testimonials.

Finally, factor 4 is strongly influenced by two variables (state policies and host nation’s infrastructure). Immigrants who started their business because of Greek state policies, the available technology, the level of economic development and the institutions gave the highest values in this factor. We label Factor 4 as a measure of the conditions pertaining to the market. While this factor got a low loading, it is still positively correlated with the study variables. As stated in proposition 4, “market condition and institutional support of the host nation motivate immigrant entrepreneurs to start a new opportunity”. Accordingly, the study confirms its 4th proposition. As an Egyptian immigrant “Magdi” commented:

Perhaps most importantly, my involvement in entrepreneurship was facilitated by the infrastructure of the Greek market that enables the uninterrupted implementation of my entrepreneurial efforts. I think that here the flow of goods, services, and information is carried out efficiently, promptly, and cost effectively for me.

At this point it is good to mention that after the recent consequences of sovereign debt crisis (e.g. the level of economic development) the market conditions in Greece are subject to a constant change.
CONCLUSIONS, LIMITATIONS, AND IMPLICATIONS FOR FUTURE RESEARCH

Migration can be a positive and empowering experience for migrants, their patriots from their original home country, and their host societies. For the host nation, immigrant entrepreneurship can inject new dynamism into an economy and be a very important tool for the future of economic development. Before the outbreak of the financial crisis, immigrant entrepreneurship was an evolving phenomenon in Greece. Based on a review of the available literature and a field study, this paper analyzes a questionnaire collected at the very early stages of the Greek government debt crisis in order to find which factors can lead to immigrant entrepreneurship. The variables included in the analysis represented different ways to measure some antecedents of immigrant entrepreneurial intention. Factor analysis technique was used to reach a final model and find that the intention to become an entrepreneur depends on the survival perspectives at the host country, the influences by immigrant community, the personal attraction towards entrepreneurship; as well as the general economic conditions, state policies, and market trends. As a result of the Greek government debt crisis some of these determinants are likely to shift because immigrants have to face unprecedented experiences and come to terms with new socio-economic policies (e.g. drastic fiscal austerity measures, and structural reforms).

One of the limitations of the study was the obvious size of its sample; only 164 immigrants participated in this follow up study. Therefore the study recommends that more research with larger numbers of participants is needed to ensure the applicability of this research findings to the general population of participants. Another limitation is the lack of published data regarding similar projects' outcomes.

One direction of future research could be the investigation of the effects and the impact of the aforementioned economic crisis on immigrant entrepreneurship. We also suggest a future longitudinal research to cover several motivations to determine whether these study findings will hold true over time. Finally, future research should also investigate not only the actual entrepreneurial involvement of immigrants but also its sustainability.

REFERENCES


**APPENDIX I**

**Excerpts from Selective Participants' Testimonials**

- “**People see in you what you don’t see in yourself when you are an entrepreneur.** People respect me now more than before. I gained my self-confidence” ~ Kiril, Bulgaria

- “By putting the proper financial and time structures in place, I’m able to enjoy the adventure of owning a company and still retain a sense of balance and security that satisfies my family. While I never thought I would be an entrepreneur in Greece, I’m glad I am one.” ~ Vladimir, Russia

- “I saved up enough money to live on for a while and talked with my parents about starting a business. My first full-time entrepreneurial venture grew out of an extremely practical mix of market demand and income necessity.” ~Lavinia, Romania

- “As a new entrepreneur I experience incredible highs and lows, often in the same day. I know I can’t burden my spouse and my kids with my struggles. I have to toughen up and bottle it up but I can live better now than before.” ~Roska, Bulgaria