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How Do Information and Experience Play a Role in the Discovery of Entrepreneurial Opportunities? The Case of Latin-American Immigrants in Barcelona

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ABSTRACT. *This study contributes to expand the knowledge available on immigrant entrepreneurship. Consistent with the notion of entrepreneurship as a process, a qualitative exploration of information and experiences acquired by immigrants in the catering sector was performed to ascertain their role in discovering entrepreneurial opportunities. Our sample consisted of four cases of Latin American immigrants. The findings showed that the discovery process is based on the interrelation established between information per se and the experiences acquired throughout the migration periods. The knowledge acquired in their home country constituted the bases for our study, while that acquired in the host country is supplementary as it fine-tunes, expands, and influences the discovery process. Furthermore, findings revealed that immigrants trust information coming from their social environment and consider it sufficient to take a decision to set up a business. Finally, this study suggests further lines of inquiry.*

RESUMEN. *Este estudio contribuye al conocimiento sobre la creación de empresas por inmigrantes. Considerando la noción de la creación de empresas como un proceso, se ha realizado un estudio cualitativo exploratorio de la información y experiencias*

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adquiridas por inmigrantes en el sector de la restauración. Este estudio tiene como objetivo conocer la importancia de dicha información y experiencias adquiridas en el descubrimiento de las oportunidades emprendedoras. La muestra está conformada de cuatro casos de empresarios Latinoamericanos. Los resultados muestran que hay una interrelación entre la información y las experiencias adquiridas por los inmigrantes en los periodos migratorios. El conocimiento adquirido in el país de origen constituye la base y el adquirido en el país de destino se complementa porque refina, engrandece e influencia en el proceso de descubrimiento. Además, los resultados mostraron que los inmigrantes creen en la información que procede de sus redes sociales y al parecer ésta fue suficiente para tomar la decisión de crear sus empresas. Finalmente, éste estudio sugiere posibles líneas de investigación.

RESUMO. *O presente estudo contribui para o conhecimento sobre a criação de empresas por imigrantes. Considerando a noção da criação de empresas como um processo, foi realizado um estudo qualitativo exploratório das informações e experiências adquiridas por imigrantes no setor da restauração. Tal estudo tem como objetivo conhecer a importância das citadas informações e experiências adquiridas na descoberta de oportunidades empreendedoras. A amostra é formada por quatro casos de empresários latino-americanos. Os resultados indicam que há uma inter-relação entre as informações e as experiências adquiridas pelos imigrantes nos períodos migratórios. O conhecimento adquirido no país de origem constitui a base e o adquirido no país de destino é complementar porque refina, engrandece e influencia o processo de descoberta. Ademais, os resultados mostraram que os imigrantes acreditam nas informações procedentes de suas redes sociais e há indicações de que elas foram suficientes na tomada de decisões sobre a criação das empresas. Por fim, o presente estudo sugere possíveis linhas de pesquisa.*

KEYWORDS. *atlas-ti, discovery, entrepreneurial opportunity, immigrants*

INTRODUCTION

From a global perspective, immigration is a contemporary phenomenon characteristic of developed economies. From a socio-economic viewpoint, we can highlight a noticeable increase in the number of self-employed people in the labor market. The entrepreneurial behavior of various groups

of immigrants has led to the rise of another phenomenon known in literature as immigrant entrepreneurship (Baycan-Levent & Nijkamp, 2009).

Immigrant entrepreneurship has played an important role in the economy of many developed countries: at the micro-level, it increased employment opportunities for immigrants in the host country; at the meso-level it revitalized trade in some cities and created greater dynamic flows in the economy, and at the macro-level, it revived failed areas of the economy, thus leading to economic growth both at the national and regional levels. These benefits and contributions of migration can be clearly mirrored in some studies, such as Canada (Froschauer, 2001), United States (Saxenian, 2002), New Zealand (Clydesdale, 2008), Holland (Kloosterman, 2003), United Kingdom (Barrett et al., 2001), among others.

The literature on this topic deals with immigrant entrepreneurship from the micro-level approach, focusing on those characteristics of immigrants that can lead to the recognition of opportunities (Gelderen, 2007), while others stress the macro-level centered on the structure of these opportunities or blend both the micro- and macro-levels (Clydesdale, 2008; Kloosterman et al., 1999; Waldinger et al., 2006).

Due to the important contributions offered by these viewpoints on immigrant entrepreneurship, the lack of studies on entrepreneurship as a process in which the discovery of opportunity is the first step (McMullen, Plummer, & Acs, 2007; Shane & Venkataraman, 2000), should certainly be stressed. Along these lines, our study takes into account this gap, offering a contribution by exploring and describing the discovery process of entrepreneurial opportunities in the catering sector handled by Latin American immigrants operating in Barcelona.

Idiosyncratic acquisition and possession of information allows individuals to perceive special opportunities overlooked by others. This approach takes into account not only information per se but also the experiences and characteristics of the individual, thus contributing in assessing them. Pursuant to the many cognitive properties involved, our study focuses on acquired experiences and information and the respective timeframe in which immigrants have done so.

From the literature review on immigrant entrepreneurship, we have extracted migration periods that we then applied as analytical categories. These categories have been included in the discovery approach of entrepreneurial opportunities, which allowed us to explore and describe the process exhaustively. As clearly noticed, this study blended the migration periods commonly used in immigrant entrepreneurship literature with the discovery perspective of entrepreneurial opportunities. This is an important contribution and an innovative analysis of the immigrant entrepreneurship field.

At the core of this article are two research queries: How did immigrants acquire experience and information throughout their migration periods? And how is it that these experiences and information influence the discovery

process of entrepreneurial opportunities in a host country? The setting of the study is the catering sector in Barcelona. According to the pertinent literature, this is the favorite sector chosen by immigrant entrepreneurs.

The results reported are divided in sections taking into account our objectives and assumptions. First, we explore the experiences and information acquired by immigrants in each migration period, and continue by pointing out some tips of the path followed by immigrants to discover entrepreneurial opportunities in a host country. The analysis covered the catering sector. Finally, suggestions are given on further plausible lines of inquiry.

THEORETICAL FRAMEWORK AND PROPOSITIONS

The literature review is based on two different theoretical sources; on the one hand, the literature on immigrant entrepreneurship, and on the other, it focuses on the discovery approach of entrepreneurial opportunities. In general, these two areas of knowledge have been treated as separate disciplines. In this study, we review these two sources in order to obtain a conceptual heuristic model.

Entrepreneurial Opportunities: New Goods and Services

Opportunities are a milestone for entrepreneurship and represent a fundamental factor in this field of knowledge. The definition of entrepreneurial opportunity is quite broad-ranging, transversal, complex, and ambiguous. As suggested by McMullen and colleagues (2007), the definition of the term raises confusion and disagreement.

Despite the lack of coherence and disagreements regarding the definition of entrepreneurial opportunity, the term is widely used in the literature to refer to the first step of entrepreneurship (Long & McMullan, 1984; Shane, 2003; Shane & Venkataraman, 2000). For this study, we use the definition of entrepreneurial opportunity as the situation in which new goods, services, raw materials, and organizing methods can be introduced through the formation of new means-ends.¹ The individual could combine these products, and believes this combination will benefit him or her (Shane & Venkataraman, 2000). Moreover, these new services or products are created in order to be sold at a price higher than their production cost (Casson, 2003). However, it should be recalled that this combination may be wrong and, thus, may not always offer profitable entrepreneurial opportunities.

Literature on immigrant entrepreneurship showed that immigrants introduced new goods and services in host countries taking into account their counterparts. For instance, immigrants tend to identify opportunities considering their countrymen's needs. In this context, we can use as an example the setting up of Internet business ventures, as shown in the study

by Chaganti and colleagues (2008). The authors analyzed the different strategies and performance arising from this kind of business, rather than how these immigrants identified such opportunity, which is our main concern. From this study, we can assume that immigrants focused on the specific needs of their countrymen, as a typical characteristic of immigrants who must remit money to their countries of origin.

Linked to this is the notion of economic enclaves in which it is easy to perceive the kind of businesses immigrants constitute. As shown in the study by Tienda and Raijman (2004), ethnic neighborhoods generate crucial market conditions for the development of a business catering to fulfill the immigrant's needs. Authors identified that the shopping district located on 26th Street in Chicago offers plenty of businesses that serve immigrants. For instance, some characteristics and personal traits of immigrants could only be covered in their country of origin, because they belong to a specific culture. Such is the case of Dominican or other afro descendants who need special hair treatment. The same applies to food and other goods immigrants consume in their country of origin and seek in the host country (Gelderen, 2007). The Chinese immigrants have a strong presence in the catering sector and South Asians became widely established in manufacturing and shops of clothes and souvenirs (Barrett et al., 2001).

As stated previously, the new goods and services set up by immigrants in a host country are closely related to their countrymen and the wish to cover their needs, which is why we state the following proposition:

Proposition 1: *Immigrants introduce new goods and services focused on their countrymen living in the host country.*

Discovery of Entrepreneurial Opportunities: Information and Experiences

The discovery of entrepreneurial opportunities is based on the approach of the Austrian economy. Austrian economists assume that markets are made up by people with different types of information (Hayek, 1945), and that the possession of idiosyncratic information facilitates the individual recognition of the opportunities. Therefore, some individuals may recognize these opportunities and others may fail to do so, taking the decision to exploit them or not (Shane & Venkataraman, 2000).

Kirzner (1973) suggested that only some may recognize specific opportunities over a period of time, based on the fact that people have different information regarding their idiosyncrasies and their experience based on their personal life. This life experience entails a wealth of knowledge, which is called a "knowledge corridor" by Venkataraman (1997), as it creates a mental framework that enables the individual to recognize new information, triggering entrepreneurial perceptions and guesses (Kaish & Gilad, 1991).

Two factors influence individuals to discover entrepreneurial opportunities: first, the possession of information to identify opportunities; and second, persons recognize the opportunities because they already have some experience in this field as well as characteristics that allow them to recognize these entrepreneurial opportunities (Shane & Venkataraman, 2000). Such is the case of immigrants who have specific information related to their country of origin. This information is idiosyncratic and is used in the host country as a source to discover entrepreneurial opportunities. In this context, an author pointed out that experiences acquired in a host country are crucial because they allow immigrants to gather information related to business vacancies as well as legislation, among others (Kanas, van Tubergen, & van der Lippe, 2009).

Immigrant Entrepreneurs and Migration Periods

Several studies can be found in academic literature that attempt to explain what factors play a role in influencing immigrant entrepreneurship, while other studies point out differences in the factors acquired in the country of origin,² premigration, or in the host country, postmigration periods (Bates & Dunham, 1993; Fernández & Kim, 1998; Kanas et al., 2009).

One of the main determinants of immigrant entrepreneurship is education, which is usually considered as the human capital possessed by an individual. This human capital is measured by the years of study and the experience held by the individual, allowing them to increase the level of productivity of their activities (Becker, 1993). There are many studies on human capital and some of them highlight its importance for immigrant entrepreneurship. However, most studies about human capital have shown dichotomous results: for some studies the acquisition of human capital in the country of origin has been an important factor while others give more importance to the human capital acquired in the host country (Bates, 1999; Le, 2000; Li, 2001).

Social capital is another important factor in the intergroup variation between immigrants who have set up their own business (Borjas, 1986; Kim & Won, 1985; Kloosterman et al., 1998). Sanders and Nee (1996) noted that family social capital is also important for immigrant entrepreneurship. The family is the primary social organization that usually supports the establishment and operating of small immigrant businesses in the United States. The family is also important for obtaining the financial capital required for an immigrant entrepreneurship venture. This study shows that immigrants arrive in the host country with the financial capital they managed to obtain from their families. Thus, there is large empirical evidence showing that social capital is an important factor in a business being set up by immigrants. A large variety of information is transmitted between immigrants, such as data on business opportunities, laws and licenses, suppliers, and job opportunities (Sanders & Nee, 1987; Völker & Flap, 2004; Waldinger et al., 2006).

Kanas and colleagues (2009) noted that the experience gained in the host country tends to better meet the labor force market requirements; thus, when individuals acquire human capital and experience in the host country, they become more easily employable. In contrast, immigrants in Australia with a high level of education reduce the propensity to be self-employed (Le, 2000).

Studies of immigrant entrepreneurship are also affected by the pull and push factors, despite being a macroeconomic approach to explain the phenomenon of migration (Lorca, Alonso, & Lozano, 1997), studies have used micro- and macro-levels to study the pull and push factors related to immigrant entrepreneurship (Shinnar & Young, 2008). Additionally, individual characteristics at the micro-level could also act as pull and push factors. On the one hand, role models can act as pull factors toward self-employment (Dadzie & Cho, 1989; Shim & Eastlick, 1998). Having a family member or relative who has a business is a role model; this fact increases the likelihood of self-employment (Feldman, Koberg, & Dean, 1991). On the other hand, there are push factors that lead to self-employment due to the lack of opportunity or specific characteristics of some individuals who do not fulfill the general labor market requirements. In view of this, we state the following propositions:

Proposition 2: *Immigrants can discover entrepreneurial opportunities because they gathered idiosyncratic information during the migration periods.*

Proposition 3: *Immigrants can discover entrepreneurial opportunities because they have acquired experiences throughout the migration periods.*

Heuristic Model for the Empirical Study and Propositions

Migration periods are commonly used as categories when analyzing immigrant entrepreneurship. Some experiences and information have already been acquired by immigrants in their home countries. However, immigrants also acquire new knowledge in the host country. The information and experiences acquired by immigrants throughout these migration periods constitute their baggage and wealth of knowledge, consistent with the knowledge corridor described by Venkataraman (1997) or the findings pointed out by Patel and Fiet (2009).

Using the two fields pointed out in the literature review, we created a model that allows us to study the discovery process of entrepreneurial opportunities by immigrant entrepreneurs. This model consists of the discovery approach of entrepreneurial opportunities in addition to increased theoretical categories for exploring cases such as the migration periods—pre and post—and the factors acquired by immigrants during these periods, such as information, experiences, and individual traits (Figure 1).

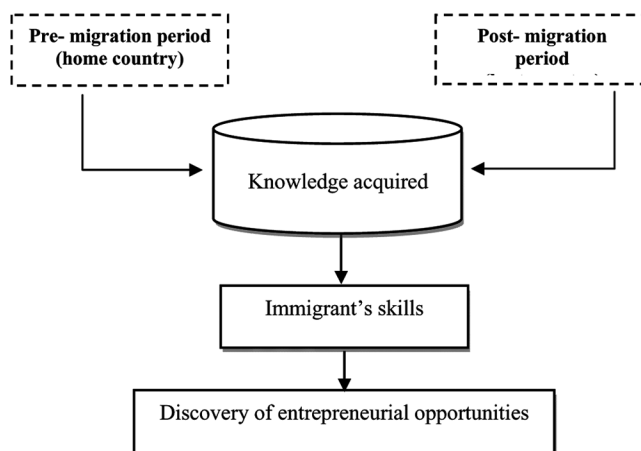


FIGURE 1 Discovery of entrepreneurial opportunities by immigrants.

METHODOLOGY

Multiple case studies have been used in this research. It was considered appropriate to do a case study examining a contemporary phenomenon (Yin, 2009), such as the setting up of a business by immigrants, which is relatively new in Spanish society and its economy (Fernández & Ortega, 2008). We used multiple case designs that allowed us to draw up a contrast between the heuristic model and empirical reality. A series of cases have been treated as experiments (Eisenhardt & Graebner, 2007). The findings of each case were compared with the theory in order to confirm, modify, or contradict such theoretical model.

Some criteria related to Barcelona's environment were selected as samples. First, Latin Americans are the most representative groups of immigrant people in Barcelona, and some of their cultural characteristics are intrinsically related to the Spanish community, rooted as they are in the Colonization era. Second, according to Social Security (2010), the catering sector is a relevant area in which immigrants work and become self-employed. After considering these criteria, we took into account some parameters in order to make our choice. In order to ensure the consistency of the information gathered, we stressed it had to consider first-generation immigrants because they acquired experiences in both the pre- and postmigration periods.

In order to locate immigrant entrepreneurs we used directories issued by immigrant associations, verifying through telephone calls the uptime of the business in the restaurant sector.

We considered this sample in order to identify the behavior of immigrants who were in the process of discovering entrepreneurial opportunities in the catering sector in Barcelona. Table 1 shows the criteria used to select

TABLE 1 Immigrants' Parameters

Immigrant Entrepreneurs	
Type of Entrepreneurs (1st generation)	Latin American immigrant
Business Location	Barcelona (city)
Maximum Operating Company	10 years
Sector	Restaurant
Size	SMEs

TABLE 2 Study Participants

Immigrant Entrepreneurs					
Informants	Barcelona Residence Time	Operating Time	Age	Gender	Citizenship
Informant 1	8 years	3 years	31	m	Peru
Informant 2	10 years	3 years	37	m	Mexico
Informant 3	15 years	6 years	50	m	Argentina
Informant 4	11 years	5 years	52	m	Argentina

TABLE 3 Path Experiences Acquired by Immigrants

Informants	Premigration			Postmigration	
	Family Business	Work	Business Creation	Work	Business Creation
Informant 1	x	x	*	✓	✓
Informant 2	x	x	*	✓	✓
Informant 3	x	x	x	✓	✓
Informant 4	✓	✓	✓	x	✓

* Acquired experiences in other sectors by immigrants.

✓ Acquired experiences in catering sector immigrants.

* Immigrants without experiences in business creation.

the immigrants. Furthermore, taking into account the existing parameters, in Table 2 we show some characteristics of the informants used in this study.

Procedure for Collecting Information

The fieldwork was conducted over the months of October, November, and December 2009. The richest source of information came from semistructured interviews. The interview protocol (see Appendix) was the tool used for data collection, and its protocol was designed giving special care to matters related to language, aiming to avoid technical terms specific to the subject area, in order to ensure immigrants would feel safe and understand the meaning of the question. Several reviews were conducted by professors to validate the protocol; and Latin American people have participated in the validation process. They read and raised remarks regarding the understanding and the meaning of the questions (Patton, 1990). Additionally, this

protocol was used in two pilot interviews that resulted in the modification of the initial theoretical approach as well as in the design of the interview protocol. Information obtained during these pilot interviews was used in our research and individuals were interviewed again to obtain the missing information required by the modified theoretical model.

Interviews were conducted in the same company and lasted a maximum of 1 hour/1.20 hours each. The time prescribed for interviews inherent to a qualitative research based on a reasonable timeframe, were obeyed at all times (Hermanowicz, 2002). Interviews were recorded and then dictated with the assistance of Dragon Naturally Speaking, a software that allowed us to optimize the time it usually takes to obtain a traditional transcript.

Data Analysis

The qualitative data analysis was performed with the help of Atlas.ti, which allowed us to manipulate codes in a flexible manner remaining in permanent contact with the data, linking codes efficiently and quickly, and facilitating the effective exploration of what was being studied.

The analytical procedure of the text is summarized in the following sequential steps: (a) the full transcript of the interviews, (2) adjustment of the transcript to the proper format Atlas.ti, (3) creating quotes, and (4) creating codes. The aim of these steps was to design a final code book containing the code related to the factors acquired by immigrants throughout the migration periods.

RESULTS

New Products and Services: Exploring Proposition 1

Once settled in a host country, immigrants adopt different ways to contribute to the economy. One of them is becoming an entrepreneur; however, before that immigrants must perceive and find entrepreneurial opportunities in the host country. Informants of our sample had similar ideas about their countrymen in a host country; thus the lack of services and goods for these people became an opportunity for them. Within this context, immigrants live, observe, and interpret in their own way what they see in real life, building their own ideas and beliefs in this regard. For instance, immigrants perceived the large number of Latin American people in Barcelona, a crucial factor to arrive to conclusions such as:

I think it is not necessary to be very intelligent to perceive that there are almost 40,000 legal Peruvian people in Barcelona and another 40,000 illegal ones. . . I believe they have their specific needs, they must miss Peruvian food. . . thus there is a need to cover this market niche. P1: Informant1.rtf—4:156 (458:458)

There are many people from my country here, which entails an opportunity for me because immigrants miss things from their country, such as food or products to prepare their own meals. . . . My restaurant is always full of Argentineans enjoying the classic beef and other dishes. P3: Informant3.rtf—7:178 (389:389)

Mexican food and products are the basic staple for Mexican people. . . . they come on weekends and enjoy the food, music and drinks. . . . when Mexican come here, they feel at home, even if just for a short moment. . . . it seems to me this is the way they strengthen themselves to face living here. P2: Informant2 .rtf— 2:134 (245:245)

Obviously, there are all sorts of feelings involved; immigrants miss their habits and their culture. Based on this fact, immigrants discover the market's niche, which caters to the immigrant community in Barcelona. Immigrants like preparing their native food every day and thus always buy native products.

Information's Acquisition by Immigrants: Exploring Proposition 2

Immigrants acquired a sort of information that is generated through idiosyncratic life experiences. Our data showed that some information about the destination city is acquired in the premigration period, either through activities performed in their daily routine or obtained unexpectedly. The information acquired is related to Spain, particularly about the tourism sector:

In Mexico, Spain has always been well regarded as the cradle of tourism. . . . and while I was studying I always had the idea of coming, to learn what it meant to tourism to be a part of the birthplace that we, in America, conceive as a tourism icon, and then learn something about the place. P2: EmpresaB.rtf—2:113 (668:668)³

Moreover, information is acquired while being in the host country, where immigrants perform activities such as jobs, studying, or simply establishing social ties in this activity. For example, Informant 3 gathered specific information because he worked in the restaurant sector over many years. He gathered and developed some information and managerial skills related to the restaurant sector. In the case of this immigrant, the wealth of this knowledge influenced him to set up his own business in this sector.

Furthermore, immigrants identified and valued idiosyncratic aspects of the city of Barcelona such as it being so cosmopolitan, the beauty of its architecture, nature and behavior of its citizens, and its geography. These characteristics are perceived as positive factors for entrepreneurship in the restaurant sector:

It was a city with beaches, a lot of artistic architecture, I do not know. . . . at the time we saw people also enjoyed a lot of everything. . . . people who

came from abroad could easily notice people were happy. . . . I don't know, but people were happy . . . the city was very cosmopolitan and too big, close to the sea, with mountains, really beautiful in many ways. I saw all these as positive factors to invest here. .P3: Informant3.rtf—3:19 (159:159)

Another feature is the comparison process of the information immigrants have acquired, both in their country of origin and the host country. The immigrant compares two different institutional environments, finds differences, and values what he perceives. This can be seen in postmigration period cases in which the individual compares two or more different social and economic environments.

At first it was good because we saw there was welfare and security and Barcelona had a structure in the country that we do not have in Argentina, then we saw the possibility of developing a business and that it would have a good effect. P3: Informant3.rtf—3:10 (98:98)

Even more information is acquired through immigrants' social ties with others living in Barcelona. For example, Informant 4, even while living in his own country collected information from his social networks in Barcelona. This information was related to the specific sector, the economy of the country, and the opportunities to work in Spain. We can see that immigrants handle informal information well and that this is enough to decide them in favor of setting up their own business. Their confidence in their countrymen was implicit.

Immigrants' Experiences: Exploring Proposition 3

Data showed us many kinds of expertise, such as work experience, experience in entrepreneurship, and the experience of having a family business through skills that were gained by the whole family. Skills acquired by the family in the premigration period are an important factor for the discovery of entrepreneurial opportunities. The next step consisted in the individual performing buying and selling transactions with its peers. These small activities, such as selling chocolates and sandwiches, have developed skills in the individual that others cannot. While conducting these activities, individuals acquired an implicit knowledge of the cultural environment in which they operate. Likewise, some feelings and actions had been identified by immigrants since childhood while they were helping their parents, performing tasks in the family business.

Yes!!! When I was a child I took some chocolates from my father's shop and sold them at school . . . and I liked so much doing this!!! . . . I had a pool table in the house that belonged to my dad and I rented it to my friends . . . at the University I also sold sandwiches. . . . I always wanted to get things for myself. P1: Informant1.rtf—1:33 (360:360)

These excerpts from the interviews conducted identify the beginning of activities related to business and the way individuals perceived them. These activities occurred within the family whenever parents or relatives had a small business. The immigrant's family business operated in the services sector, such as a small bakery, warehouse, computer science school, and glass factory, among others.

Work experience in the postmigration period is characterized by the limitations immigrants feel regarding their status and being outside the system of their new environment. The first steps taken by immigrants of our sample were similar, at the beginning of their life in the host country where they worked in the service sector, particularly in catering. Their experience was achieved as waiters, cooks, or bartenders. However, some of them already had experience in other sectors, such as construction and customer service. Usually, immigrants tend to work in these sectors because no work permit is required, which allows them to work in the so-called black market.

Our data also show proof of experiences in setting up a business, immigrants of our sample coming from a business family, as well as some who had also had their own business. These businesses were small ones operating in the service sector. Setting up a small business is a dynamic task as some immigrants had their own business in their home country, such as a glass factory, restaurant, or mechanical workshop. Therefore, these immigrants recognized the opportunities and exploited them by setting up these small businesses in their country of origin.

During the postmigration period, these individuals also acquired vast experience in entrepreneurship. Our data showed that immigrants tend to set up a business after many years of living in a host country and, in our sample, immigrants resided there at least 5 years before setting up their business. During this time immigrants can save money and normalize their legal situation in Spain. With regard to setting up a business, it can be noted that Informant 1 left his country 8 years ago in order to study. He has set up many businesses; the first one was a digital printing company, which was established in 2004, and then in 2006, 2007, and 2008 he set up different restaurants.

Informant 2 left his country 10 years ago for a postgraduate course. When he obtained his MBA and confirmed the information he had obtained in his country of origin on tourism in Spain, he started his company's project. This immigrant has set up many businesses in Barcelona. The current company has been operating merely 3 years now. All of his businesses operate in the restaurant sector.

Informant 3 came to Barcelona as a tourist, but he liked Barcelona and decided to stay and settle there. This immigrant has worked many years in the catering sector as a barman and waiter; grounded on this experience, he decided to set up a business in the same sector, as he said:

I simply want to continue doing the things I have learned while working, I know all the details of the catering sector, because I was a manager in

the restaurant I worked in, thus managing my own restaurant is very easy. P3: Informant3.rtf—4:22 (230:235)

Informant 4 came to Barcelona 11 years ago. This immigrant worked many years before setting up his business. He used to work as a car mechanic; even in his home country he had this kind of experience as well as a business of his own. However, the business he set up operated in the restaurant sector.

DISCUSSION AND CONCLUSIONS

There are many ways to explain and explore the different situations in order to understand the phenomenon of entrepreneurship. Within this context, this study has tried to analyze and explore different ways available to immigrants to discover entrepreneurial opportunities. According to the available literature, there are some studies focused on immigrant entrepreneurship that did not consider entrepreneurship as a process, where discovery is the essential step in this process. Pursuant to this, we describe the findings of this study as follows.

In general, results showed that the discovery process of entrepreneurial opportunities is a complex matter. Immigrants recognize opportunities based on previously acquired knowledge. Even if this knowledge differs, because Peruvians, Argentineans, and Mexicans come from different backgrounds as regards their experience and the information related to their own institutional environment (Eckhardt & Shane, 2003; Kirzner, 1997; Shane, 2000). For instance, the way to obtain information varies; they gathered information using different means and our data confirmed that information is idiosyncratic and unique in time and space (Hayek, 1945). Consequently, business assumptions are mainly based on their beliefs and perceptions (Kaish & Gilad, 1991).

Information is clearly one important factor in the discovery process of entrepreneurial opportunities by immigrants. All informants in our sample acquired information related to the catering sector and the environment. But this information was not obtained in one single place, although there is a link with the actions performed by immigrants to do so. Our data confirmed that immigrants acquired information in their home country that played an important role and gave rise to entrepreneurial ideas in the host country. Obviously, there are active and passive actions that are performed while acquiring information, namely, immigrants sometimes sought the information (Stiglitz, 1985), while at others, they obtained it accidentally through their daily routine in the host country. Therefore, the decision to set up a business is based on informal information and trust in their countrymen. These findings are consistent with those obtained through other studies found in literature, which point out that immigrants trust their countrymen

when seeking information related to jobs, legal issues, or about black market operations (Basu, 1998; Brenner, Menzies, Dionne, & Fillion, 2010); therefore social ties are an important factor regarding the information acquired by immigrants in the host country.

Experiences are other very important factors in the discovery of entrepreneurial opportunities in the host country. Our data showed that immigrants acquired their first experiences in the family business when they were children while helping their parents. For instance, Informant 1 helped his parents and sold some products by himself at school and at university. Informants 2, 3, and 4 grew up watching how their parents managed a business and dealt with customers and suppliers. Some authors pointed out that positive attitudes and entrepreneurial culture can encourage and influence individuals to follow certain role models (Krueger & Brazeal, 1994; Speizer, 1981).

Moreover, immigrants acquired work experience in their country. For instance, Informants 1 and 2 worked in the market as employees, the first as a business administrator and the second in the restaurant sector. However, Informants 3 and 4 were entrepreneurs because they set up their own business—the first opened a factory of glasses and the second a mechanical workshop. Regarding the work experience in the host country, our data showed that they worked in many typed of jobs, even in the black market until they normalized their legal status in Spain. For example, all informants of our sample have had experiences in the restaurant sector before starting their own business. It is interesting to note that these immigrants worked at least 5 years before setting up their own business.

It is thus obvious that these immigrants have acquired different managerial skills and capabilities during their migration periods. The acquisition of knowledge is a continuous process as well as cumulative (Lane, Koka, & Pathak, 2006). Immigrants acquired certain knowledge in the business family in their own countries; therefore when they migrate they carried all this cultural baggage with them. This knowledge is used as a stepping stone to discover entrepreneurial opportunities, but it is fine-tuned in the host country through the acquisition of new information and experiences. Regarding the catering sector, it was noted that many of them had previous experience in this sector even during the premigration period. Moreover, those who did not have this previous experience had the wealth of knowledge related to the culture of their countries, which allowed them to discover entrepreneurial opportunities in the in host country.

In summary, the knowledge acquired by immigrants is a process that begins in the premigration period and continues throughout the postmigration period. Our data showed that there is a link between these periods, because the premigration phase is the basis that allows them to continue accumulating or fine-tuning their knowledge (Constant & Zimmermann,

2006; Le, 2000). For instance, they could scan new environments to learn about markets and culture, and, finally, information and experiences acquired during the migration periods constitute the knowledge corridor (Venkataraman, 1997), an important factor because it leads immigrants to discover entrepreneurial opportunities in the host country.

IMPLICATIONS FOR FUTURE RESEARCH

This study was based on the analysis of how immigrants acquire information and experiences, and how this influences them to set up a business in the catering sector. Regarding our findings, we can pinpoint some implications for both the academic world and policymakers.

In immigrant entrepreneurship literature it is particularly relevant to look at this phenomenon as a process that began with the discovery of entrepreneurial opportunities. As already pointed out, there is a lack of studies considering immigrant entrepreneurship as a process. Moreover, when regarding the setting of this phenomenon we realized that it is a relatively new one in Spain, which is why further studies are needed on this topic. This study focused on the catering sector; however, other sectors could be studied in order to understand the behavior of immigrants and the way they gather information and experiences.

Studying immigrant entrepreneurship is a complex task when considering the migration periods, mainly because immigrants acquired certain characteristics in their country or origin and in the host country. Consequently, how do information and experiences acquired in the premigration period influence the decision to set up a business in the host country in the same sector? Based on our data, we must reply that a relationship between experiences and information acquired in the home country are not always present. This is why it would be interesting to conduct more studies to clarify this issue. Regarding the migration periods per se, it would be interesting to consider the acquired knowledge as a process and not in an overly simplistic way, just trying to choose which is best. In contrast, analyzing factors acquired in the home country represents an enormous wealth of information held by immigrants; they will later fine tune and expand over time spent in the host country.

Additionally, our findings suggest that future research in the discovery of entrepreneurial opportunities by immigrants could also cover other environments. Nowadays, some developed countries are suffering the effects triggered by an immigration process, and many of these people become entrepreneurs. How will the immigrants identify the discovery of entrepreneurial opportunities? The reasons why they exploit opportunities in this first stage are unimportant, any reason will do, but they must first discover if the opportunities exist. Furthermore, the immigration process also occurs in emerging countries.

The remarkable fact regarding the acquisition of information in the discovery process of entrepreneurial opportunities is that immigrants strongly rely on their social networks to acquire it. Researchers can focus on how invisible are institutions in this process and why immigrants do not seek them to obtain formal information on how to set up a business. Moreover, this study could be conducted in other sectors and with other immigrant groups; thus allowing us to find out how other immigrant groups recognize entrepreneurial opportunities, for example, Chinese people. Likewise, it might also be interesting to research the country of origin in order to obtain the specific characteristics related to culture and its institutional environment.

Furthermore, the findings of this study can assist policymakers to learn more about the Latin-American community in Barcelona, discovering their way of thinking and how they handle their knowledge, as this could foster ideas not only to enhance entrepreneurship but also to set up institutions to advice and facilitate formal information related to how to set up a business. This is a relevant point because setting up a business contributes toward economic development and the establishment of new jobs.

LIMITATIONS

The findings of this study should be interpreted cautiously because some limitations were not covered in the design of this research. First, as the sample consists of immigrants of different nationalities it would be interesting to compare them, identifying their cultural factors. In order to do this, it would be necessary to expand the sample on the basis of the nationalities involved. Second, we have heavily relied on the discourse of informants; hence there might be some bias in the process of introspection-retrospection. Third, it could be interesting to consider a sample of nonentrepreneurs in order to understand why some immigrants set up their own business and others do not. Fourth, as businesses were small we interviewed only the owner-manager. Finally, considering other sectors and different nationalities of immigrants could enrich our study.

NOTES

1. Covert to footnotes to endnotes and move to Notes section. Format as a numbered list, i.e., 1., 2., 3., etc. It is important to understand the means-end approach (von Mises, 1963). This approach is based on human action, where the result sought by an action is called "the end" and "means" is everything that makes for the purpose.

2. The study of Sanromà, Ramos, and Simon (2008) is clearly about the portability of acquired factors in the country of origin (premigration period), particularly human capital. This study is not related to business creation by immigrants; we mention it as a reference related to the acquisition of factors in the country of origin achieved by immigrants in the process of their immigration.

3. Is a citation used in Atlas.ti, where P2 indicates the primary document number 2, the document name in this case EmpresaB.rtf, 2:113 indicating the number of primary document followed by a colon

and the number indicating the order which it was assigned to the document, it finally has the line number where is located the text segment (668:668).

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APPENDIX

INTERVIEW PROTOCOL

a) CHARACTERISTICS OF INDIVIDUALS ACQUIRED IN THE PREMIGRATION PERIOD

- Why did you leave your country? How did you live in your country? How did the process of leaving your country occur? Can you describe this process, please?
- How did you arrive in Barcelona; namely, why did you choose Barcelona and not any other city, such as Madrid, for example?
- What type of visa did you have when entering the country?
- How did you choose the activity you performed in Barcelona; namely, operating a “restaurant”?
- Did you live in another country before moving to Barcelona? Which one? If you lived in another country, why did you come to Barcelona?
- Did you have a family member or friends in Barcelona before your arrival?
- How did you communicate with them?
- How did you get information about Barcelona in your country?
- How did you get information in your country about the opportunity to set up a business in Barcelona? Did you have this idea before or after you moved to Barcelona?
- Did you have any kind of entrepreneurial experience in your country? Did you have a business in your country? Why did you set up this business?
- Did you have any parents involved in business? Did you acquire any experience in this business in your country?
- Did you have any level of studies? Which?
- How have your studies influenced you in the discovery of entrepreneurial opportunities in your country?
- How have your acquaintances influenced your possibility of setting up a business in your country?
- How did you finance the setting up of a business in your country, if affirmative?
- Did you work before setting up your own business? What did you do?
- How did you face unemployment in your country, if affirmative?
- What did you think about your salary?

- What did you think about your social and economic status before and after you had your own business?

b) CHARACTERISTICS OF INDIVIDUALS ACQUIRED IN THE POSTMIGRATION PERIOD

- What did you like about Barcelona? How did this attraction process work?
- What year did you arrive in Barcelona?
- How did you seek information on how to set up a business in Barcelona?
- Do you know anything about the migration policy in force in Spain? How did you find it? And what did you know about it?
- Do you have the right to any advantage based on this migration policy? What?
- Do you know about any tax incentives? If yes, how could these incentives help you?
- Did any institution support you in setting up your own business?
- What experience do you have regarding working in Barcelona?
- How has the experience you have contributed to learn about your business market?
- Why did you engage in this kind of business and not in any other?
- Did you study in Barcelona? If yes, what kind of studies?
- Did you study Catalan?
- Do you consider the Catalan an important language for your work or business?
- If you have family, did your family help you to learn about the market and services in Barcelona?
- Can you explain what your business is about? Do you have subsidiaries? Where?
- What was your work experience in Barcelona before you set up your own business?
- Were you unemployed? How was this period of your life in Barcelona?
- If you were an employee, what was your salary? what did you think about it?
- Do you have friends? Where are your friends from?
- Do you have acquaintances with their own business?
- Where are your customers from?

Name:

Location:

Citizenship:

No. children:

Marital status:

Married

Gender:

Single

Age:

Business Setting up Year:

Married with foreigner