THE POLICY PARADOX: BRIDGING THE GAP BETWEEN ETHNIC ENTREPRENEURSHIP AND IMMIGRANT INTEGRATION POLICIES

Sujeewa HERATH[1]

Patrick HICKEY[2]

Eugene KOZLOVSKI[3,4]

ABSTRACT

This paper proposes an integrative framework and recommendations for enhancing public sector support utilisation amongst Ethnic Entrepreneurs (EEs) in the UK. The role of entrepreneurial IT adoption in an ethnic enclave is examined as a key factor affecting policy practice. The paper draws on interviews based on a purposive sample of 20 South Asian EEs with various capacities such as academic skills and the level of IT adoption. The findings show that despite the presence of relevant policies, the utilisation and awareness of public sector support are insufficient amongst EEs due to issues associated with trust, bureaucracy, time and communication. It is recommended that the entrepreneurial framework should facilitate the direct reaching of the targeted EE groups. This can be achieved by featuring network dynamics to improve attitudes towards the propitiousness of public support services, using appropriately selected role models. This study is one of the first attempts to incorporate ethnic entrepreneurship into the national immigrant integration agendas.

Keywords: *Ethnic Entrepreneurship, Public Sector Support, Ethnic Enclave, IT Adoption, Social Networking*
JEL Codes: *L26, L86, L88*

POLİTİKA PARADOKSU: ETNİK GİRİŞİMCİLİK VE GÖÇMEN ENTEGRASYON POLİTİKASI ARASINDAKİ BOŞLUK

ÖZ

Bu çalışma Birleşik Krallık'taki Etnik Girişimciler (EG) arasında alınan kamu sektörü desteğini geliştirmek için bütünleştirici bir çerçeve ve öneriler sunmaktadır. Girişimci Bilişim Teknolojileri (BT)'nin etnik köken bağlamında benimsenmesinin rolü, politika pratiğini etkileyen önemli bir faktör olarak incelenmiştir. Bu çalışma, akademik beceriler ve BT'nin benimsenme düzeyi gibi çeşitli becerilere sahip olan 20 Güney Asya EG'si ile gerçekleştirilen röportajlar kapsamında gerçekleştirilmiştir. Bulgular, ilgili politikaların varlığına rağmen, kamu sektörü desteğinin kullanılmasının ve farkındalığının, güven, bürokrasi, zaman ve iletişim ile ilgili sorunlar nedeniyle EG'ler arasında yetersiz olduğunu göstermektedir. Bu noktada, girişimci çerçevenin hedeflenen EG gruplarının doğrudan ulaşmasını kolaylaştırması tavsiye edilmektedir. Bu da, uygun seçilmiş rol modellerini kullanarak, kamu destek hizmetlerinin uygunluğuna yönelik tutumları geliştirmek için ağ dinamiklerini öne sürerek başarılabilir. Bu çalışma, etnik girişimciliğin ulusal göçmen entegrasyon gündemlerine dahil edilmesine dair ilk örneklerden birini teşkil etme bağlamında orijinallik teşkil etmektedir.

Anahtar Kelimeler: *Etnik Girişimcilik, Kamu Sektörü Desteği, Etnik Uyum, BT Benimsemesi, Sosyal Ağ*

JEL Kodları: *L26, L86, L88*

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[1] PhD Scholar, Cardiff Metropolitan University & Dublin C. for E.S. sujeewaherath29@yahoo.co.uk   https://orcid.org/0000-0002-1119-3405
[2] Dr., Dublin Centre for European Strategy, pat.j.hickey@gmail.com
[3] Prof, Dublin Centre for European Strategy
[4] Prof, University of Wales Trinity Saint David (UWTSD) eugene.kozlovski@uwtsd.ac.uk

1. INTRODUCTION

In the UK, the term 'ethnic entrepreneurs' was previously predominated by certain ethnic groups; in particular, South Asians such as Indians and Pakistanis (Haq, 2015). Fundamental changes have taken place with regards to the demographic and socio-economic profile of ethnic groups, due to a recent immigrant influx from Eastern Europe. However, a high tendency to start businesses but then draw out with little sustainability still remains a dominant feature of ethnic entrepreneurialism. The status of EEs hasn't changed for the better. Instead, they still experience structural disadvantages (Ram et al., 2017).

EEs need to break out from the ethnic enclave. A lower degree of IT adoption than that of their native-born counterparts has been recognised as a major challenge in breaking out (Beckinsale et al., 2011). As a result, government policy has been focused on the diffusion of IT amongst EEs. For the purpose of this research, IT adoption comprises access to e-government services, use of business websites and e-commerce, as well as other means of online communications and social media. In order to diffuse IT amongst EEs, creative policy and practice are needed so that public and private partnerships and the social networking programmes that involve the banking industry, business groups, mentors and role models can ensure that under-represented EEs are given the opportunity to break out (Ram et al., 2017). The effectiveness of these policies can be multiplied by bridging the mainstream and the ethnic enclave and creating a new culture based on trust.

Both mainstream and targeted business support programmes are available in the UK for EEs and for wider small business populations. IT diffusion has become one of the main components of such programmes. These programmes usually offer cosmopolitan support services such as incubators for high-tech start-ups (Desiderio, 2014) and access to finance. However, they have not been tailored to the particular needs of EEs. Therefore, Ram and Jones (2008) indicate that under-utilisation of public sector business support by EEs, compared to that of their local counterparts, has been widely recognised as a critical issue in the policy-oriented ethnic entrepreneurship literature. Hence, the effectiveness of the current policies in terms of their capacity to help upward-mobility of EEs is still uncertain. Even though the policies of the government/public sector institutes are aimed at improving IT diffusion and helping with break out, the benefits of these programmes will not reach the EE community if they underutilise them. Therefore, the objective of the current research is to understand the level of public sector support utilisation among EEs, identify the key reasons for under-utilisation and provide an integrative, contextualised framework and policy recommendations to enhance the utilisation of public sector support among EEs.

This paper is structured as follows: firstly, several theoretical foundations that the analysis of this paper is based on are discussed; secondly, a current account of the status of EEs in the UK and a critical review of the existing mainstream and targeted assistance programmes are offered; thirdly, the research objectives and methodology are presented; and fourthly, the analysis and practical implications for policy and practitioners are developed. Finally, conclusions and directions for future research are discussed.

2. THEORETICAL BACKGROUND

2.1. The Concept Of Entrepreneurship And Ethnic Entrepreneurship

Hebert and Link (1989:213) considered that the entrepreneur "is someone who specialises in taking responsibility and making judgmental decisions that affect the location, form, and the use of goods, resources or institutions". According to Sahlman and Stevenson, "entrepreneurship is a way of managing that involves pursuing opportunity without regard to the resources currently controlled" (1991:1). Accordingly, entrepreneurship is always linked with opportunities, resources and level of innovativeness. Ethnic entrepreneurship is also characterised as an innovative behaviour in pursuing available opportunities and ethnic resources through strategic management. However, ethnic entrepreneurialism is somewhat inconsistent as it has also identified small business owners as those who mostly rely on informal activities that use up most of the cost-containment efforts, such as using their own hard work, time and ethnic labour with little or zero amount of innovative practices. Waldinger et al. (1990:3) define the term 'ethnic entrepreneur' as "people sharing common national background or migration experiences". The term ethnic entrepreneur also represents the 'immigrant entrepreneur', who is described as an individual who recently arrived in the host country and started a business. The present study considers both ethnic entrepreneurs and immigrants as one group.

2.2. Challenges Faced By Ees

EEs are often said to have relatively limited resources and capabilities compared to their native-born counterparts (Williams et al., 2017). Their major constraints are access to finance, markets and management (Carter et al., 2013; Desiderio, 2014; Rahman et al., 2018; Shelton and Minniti, 2018). Difficulties in accessing finance from formal financial institutions, as well as immigration and visa restrictions, are also critical. They normally have short or poor credit history compared to those who are native-born. They are also hampered by a lack of home ownership. More particularly, recent immigrants, such as investors/Tier 1 and Highly Skilled Migrant Programme (HSMP) entrepreneur visa holders, encounter problems with opening bank accounts (Nathan et al., 2013) and loan applications due to the recognition and identity issues that foster negative attitudes, scepticism and

mistrust towards immigrants among individuals who work in the banking field (Albareto and Mistrulli, 2010). As there is a threshold level for credit scoring, bankers may not agree to lend to EEs with poor or no credit history.

2.3. Ethnic Enclave And Social Networking

Due to the above-mentioned challenges in both the mainstream and formal structures, EEs turn to the ethnic enclave for survival. Most ethnic entrepreneurs operate as micro or small-sized businesses, rather than medium-size businesses, in the sectors that have low-entry barriers and require low skilled workers. They cater to the socio-economic needs of ethnic communities, which leads to the creation of the ethnic enclave. The ethnic enclave is defined "as consisting of immigrant groups which concentrate in a distinct spatial location and organize a variety of enterprises serving their own ethnic market and/or the general population" Portes (1981:291). Scholars (Portes and Bach, 1985; Portes and Jensen, 1989) demonstrate that the ethnic enclave is capable of providing mechanisms and resources for EEs to use self-employment as an alternative route to advancing their socio-economic status in the host country, when there is discrimination in the labour market. Sanders and Nee (1987a) indicate that EEs who operate in the enclave gain more economic returns than those who operate outside the enclave. This has to be further examined, as existing research on the impact of the ethnic enclave on immigrants' economic success has produced mixed empirical results as to whether the effects are positive or negative.

Two contradictory theoretical debates can be traced from ethnic entrepreneurship literature. Firstly, the culturalist perspective presents the social networking dimension (Wang and Altinay, 2012) with a particular focus on the roles of co-ethnic network ties in shaping entrepreneurial behaviour, operations and transactions. The structuralist perspective presents the ideas of structural disadvantages, and the importance of understanding the extent to which the ethnic enclave is embedded into the wider socio-economic structure (Kloosterman and Rath, 2001). Because EEs are embedded in the wider social structures of a host country, social status may have a positive or negative impact on the opportunity structure, group characteristics and operational and investment strategies. These two debates present opposing views towards the effectiveness of support programmes, as structuralists argue against the targeted programmes (for EEs), stating that they have a negative impact on breaking out from the ethnic enclave, whereas mainstream programmes facilitate breaking out. Mainstream programmes provide the opportunity to integrate into society on a larger scale.

In consort with some fundamental features of the ethnic enclave – including cost containment by means of informal practices, such as relying on unpaid family or cheap ethnic labour or payment

by cash-in hand – the phenomenon of ethnic entrepreneurship can be defined as "economic action embedded in integrative, co-ethnic social relations" (Thandi and Dini, 2010:6). Recognising the value of co-ethnic networks, Light and Gold (2000) suggested that exploitation of the co-ethnic network (social networks) increases the self-employment rate among ethnic communities, by facilitating the cost containment through the informal recruitment of employees, informal exchange of information and providing funding and informal capital. When they opt out from mainstream resources due to discrimination, mistrust and scepticism, they strive for survival via social networking in the enclave. Therefore, while wider small business populations utilise the full potential of mainstream public sector support, EEs are more likely to use the co-ethnic network as they have developed a culture based on mutual trust within the network. This asserts the importance of considering networking-related aspects when designing support programmes for EEs.

2.4. Current Status Of Public Sector Support Programmes

A policy-related focus on EEs has become critically important (Clark and Drinkwater, 2010), due to the significant rise in ethnic entrepreneurship in recent years in the UK. However, even though various UK policies and programmes are available as mainstream business support in general, these programmes may not have any positive impact on EEs, and they may have certain negative impacts on EEs. Sonfield (2014:202), when focusing on ethnic minority businesses (EMB), argued that "Still, in the UK, there is very limited specific targeting of EMBs within small business assistance programs run by governmental and other agencies, or EMB-targeted procurement programs run by corporations". Further, the majority of mainstream business support programmes do not have any components that target EEs' special needs and communication gaps.

Therefore, EEs face challenges in accessing such initiatives and seeking benefits from them. This is due to a range of reasons, such as lack of language proficiency and credentials for foreign educational qualifications, bad credit reports and lack of proof of address and home ownership. The problems could be either related to start-ups or sustainable/growth problems. Similarly, authorities who are involved in the mainstream support programmes are not familiar with the special needs and obstacles of ethnic communities (Desiderio, 2014). Moreover, according to Ram and Jones (2008:13), a number of recorded examples are available that prove that African Caribbean and Asian firms were rejected for work contracts and bank credits owing to their black or brown skin colour and personal appearance. Therefore, there is no mutual trust that facilitates interactions between support authorities and EEs.

According to Mwaura et al. (2018), ethnic communities in Scotland show a high rate of lack of awareness towards existing support institutions or support programmes. This could be due to the low exposure to support programmes, as the majority of EEs are primarily rooted within their own ethnic niche markets. They therefore have limited contact with external information about existing support programmes. EEs who actively network with external mechanisms or sources of information only benefit from the available support opportunities. According to Mwaura et al. (2018:13), EEs who operate within mainstream programmes that "serve the local native Scottish population still mainly socialise (and seek for advice and support) within their community circles". Conversely, those who do socialise and work with external networks show a higher awareness of the existing support institutions.

In addition, targeted support programmes are also available. According to Sonfield (2014:199), mainstream and targeted programmes have been available in the UK to support such businesses since the 1980s, "but at a much lower and limited level, and with considerably less impact than in the USA". Furthermore, there are very few university-based small business assistance programmes, such as The Enterprise and Diversity Alliance (EDA) conducted by the Centre for Research in Ethnic Minority Entrepreneurship (CREME) at the University of Birmingham, as well as start-up cluster programmes and Google Campus, which is based in Tech City in East London and which was launched in collaboration with private partnerships, big companies like Google and Facebook and universities such as Imperial College London and Loughborough University. Sonfield(2014) further shows that migration regulation programmes are facilitating the admission of ethnic entrepreneurs and investors through dedicated visa programmes, like Tier 1 entrepreneurship and investor visa categories.

Similarly, corporate procurement programmes targeting EEs and sources of supply are at the developing stage in the UK. According to Shah and Ram (2006), the National Minority Supplier Development Council (NMSDC) in the USA has provided a platform for building relationships between large companies and small EEs. However, such initiatives or institutions are not available in the UK context. In addition, under the Business Gateway programme, several recognised business support networks are available for EEs in the UK. This support includes the Asian Business Development Network (ABDN), the African Caribbean Business Network (ACBN) and the National Black Women's Network (NBWN). The services available within these programmes are basically limited to consultation and expert advice.

The above review explains to some extent the low levels of utilisation of the immigrant integration policy. Moreover, levels of awareness amongst EEs about the available government support is very low. There is no acknowledgement for the context of ethnic entrepreneurship in the policy nexus and there are only several targeted programmes. Identifying the reasons behind why EEs

utilise public sector business support to a lesser degree than the wider small business population is important for suggesting recommendations for policy developments. In response to the increasing need for targeted programmes, there has been an increase of ethnic and minority-based community organisations. Nearly 5,500 institutions are currently operating in England and Wales (Blackburn et al., 2006). A great number of recent studies (Ram and Jones, 2008; Desiderio et al., 2014; Ram et al., 2017) have been devoted to assessing these programmes. However, according to Ram and Jones (2008:10), "Overall, a complex and uneven picture emerges in which examples of good practice exist within a system that is often characterised by a lack of coherence, instability, and fragmentation". The cited studies above consider these issues to varying degrees. However, there is still scope to understand some points that are perhaps neglected in these existing scholarly debates or which have come to mixed conclusions.

2.5. Why Do Ees Need Public Sector Support?

EEs are capable of more than just operating in sectors with low-entry barriers and catering to the socio-economic needs of ethnic communities. For example, even though they are blocked from opportunities in a host country, they are in a position of advantage for developing transnational business compared to their native counterparts (Stoyanov et al., 2018), as they migrate from one country to another but concurrently maintain "business-related linkages with their former country of origin and currently adopted countries and communities" (Drori et al., 2009:1001). It proves that the full potential of EEs has been neglected and wasted, by limiting them to the ethnic enclave. EEs need public sector support to break out.

The term 'break out' in the context of EEs refers to cessation of the exclusive dependency on an ethnic enclave and proliferating into diversified entrepreneurial activities in the mainstream (Schiller and Caglar, 2013). EEs are exemplified by developing new businesses and 'breaking out' into wealthier, middle-class suburbs. In particular, this includes skilled and educated second-generation EEs 'breaking out' from the traditional, corner-shop settings and moving towards high-growth sectors, such as IT and professional services (accountancy, legal advice and so on) (Wang and Altinay, 2012; Desiderio, 2014). These cases, however, are not archetypical of the majority of EEs. The implication here is that even though these recent developments are not typical, they can be used as role models that could influence the majority of EEs, as they set an example of the important role of IT in facilitating 'breaking out' as a sustainable business development. Therefore, strategies that enable EEs to 'break out' of an ethnic niche and 'break through' into mainstream and transnational markets are needed. Kordestani et al. (2017:1) confirms the idea, saying that "identifying and exploiting business opportunities in the public sector is an influential factor for immigrant

entrepreneurs to expand out of their traditional low value-added and small-scale activities, giving them the opportunity to contribute to society on a larger scale".

In sum, drawing on both the pros and cons of ethnic enclaves and the need to break out, we argue that sustainability, IT developments and breaking out in an ethnic entrepreneurial context need to be perpetuated by interactive processes of both internal/contextual (resources in the ethnic enclave) and external factors (public sector support/external agency). Next, we use a comparative case study of high-skilled and low-skilled EEs to illustrate the importance of interactive processes and to understand the level of public sector utilisation among EEs, and to determine an integrative framework that bridges the ethnic enclave and public support.

3. RESEARCH METHODOLOGY

South Asians are the most established and biggest ethnic group of Asian descent in the UK, and they are also the 'predominant' group amongst the ethnic minority population in the UK (Haq, 2015). Out of 4.8 million small and medium-sized enterprises (SMEs) in 2010 in the UK, 8% were represented by ethnic minorities dominated by South Asians (DBIS, 2010). According to Haq, "46%, 18% and 9% of the total ethnic minority SMEs belonged to Indians, Pakistanis and Bangladeshis respectively" (2015:495). Moreover, statistical indications show that the number of South Asian EEs in the UK is rising faster than all other groups and encountering fundamental changes due to the second-generation EEs. Furthermore, some personal and professional characteristics of the representatives of this ethnic group are different from those of their indigenous counterparts (Haque et al., 2016, 2018), making the former a distinctive EE example. Thus, South Asian EEs were chosen as the focus group of this study.

The research used three approaches to recruit participants. Firstly, based on a purposive sampling strategy, five high-skilled entrepreneurs were identified. Secondly, based on the snowball sampling approach (Noy, 2008), the participants were asked to identify another five known to them as matching the eligibility criteria to participate in the study. Thirdly, an online business directory of Birmingham was used to make the total sample equal 20 EEs, each satisfying the selection criteria. The interviewee recruitment was restricted to the West Midlands, as one of the most ethnically diverse areas in the UK. The sample represents a wide variety of sectors, such as immigration firms, fuel stations, ethnic food shops, takeaway stalls, restaurants and web design companies. The majority of the interviewees had a basic Bachelor's degree or higher from their country of origin and out of 20 respondents, only three had academic qualifications earned in the UK. They had immigrated to the UK from India (13), Pakistan (3), Bangladesh (1) and Sri Lanka (3). The average number of employees

was five. Table 1 shows the business profile, respondents' visa category and level of IT adoption. The level of adoption that was measured was consistent with existing literature from Higon (2011).

Table 1. Interviewees' Profile

Immigration Status	Years In Uk	Gender	Age	Employees	Level of It Adoption	Client Base	Sector Of Business
citizen	16	Male	48	6	High	Ethnic	Immigration Law firm
Permanent Residency	11	Male	40	6	High	Ethnic	Grocery
visa: leave to remain	10	Male	40	5	High	mainstream	Removal
visa: leave to remain	3	Male	37	11	high	both	security firm
Permanent Residency	11	Male	48	8	high	both	Take away
citizen	12	Female	42	2	Low	Ethnic	Retail
citizen	13	Male	38	3	Low	mainstream	Fuel station
visa: leave to remain	6	Female	28	6	Low	mainstream	Grocery
visa: leave to remain	7	Female	36	4	Low	mainstream	convenient shop
citizen	13	Female	40	4	Low	Ethnic	clothing
visa: leave to remain	3	Male	32	9	high	mainstream	Fuel station
visa: leave to remain	5	Male	44	2	high	mainstream	Grocery
visa: leave to remain	3	Male	36	5	high	mainstream	Logistics
visa: leave to remain	5	Male	42	10	high	both	restaurant
visa: leave to remain	7	Female	36	6	high	both	Web design
visa: leave to remain	6	Male	37	2	Low	both	Cleaning service
visa: leave to remain	6	Male	39	0	Low	both	driving instructor
visa: leave to remain	6	Female	28	6	Low	both	Food
Permanent Residency	12	Male	42	3	Low	Ethnic	Grocery
Citizen	14	Male	40	6	Low	Ethnic	Take away

4. FINDINGS

Aware that EEs utilise public sector and external support to a minimal extent compared to their native-born counterparts, the current research investigated the reasons for this lower level of utilisation and their perspectives of the public sector and external support. This study found that EEs used public sector support at a minimal level due to the low level of awareness, trust-based issues and difficulties in communication such as English language barriers, one-way communication issues and no negotiations. Therefore, they heavily rely on ethnic and social network support. Accordingly, we used those reasons as the basis of our interview guide to assess the barriers and we used open-ended questions to identify any new issues.

4.1. Understanding The Level Of Public Sector Utilisation Among Ees

The findings of this research are consistent with one of the recurring subjects in the policy-oriented literature on ethnic entrepreneurship, which is utilisation of public sector business support by EEs to a lesser degree (under-utilisation) than that of their local counterparts (Ram and Jones, 2008). The current research does not make any comparison with native-born counterparts. Therefore, it is difficult to draw a comparative conclusion. However, out of 20 interviews, several interviewees have not received any government or external support in the IT adoption process. They have relied heavily on their own IT experience, previous knowledge, randomly acquired information from the internet and hired IT staff. Mostly, family members, relatives and acquaintances were the primary contacts for support. This is consistent with the findings of Nair et al. (2017), who identified society and family as very influential factors in South Asian (and specifically Indian) culture. However, all interviewees exhibited a strong interest in receiving such support if available. They use and agree to use public sector support for a range of areas, such as orientation programmes, ease of borrowing capital, availability of business trainings (mostly IT training), availability of electronic guides, free English language courses and, particularly for high-skilled migrants, to look for government work contracts (see Figure 1). The level of agreement amongst low adopters on the same criteria was substantially lower than the high adopters, apart from English language courses.
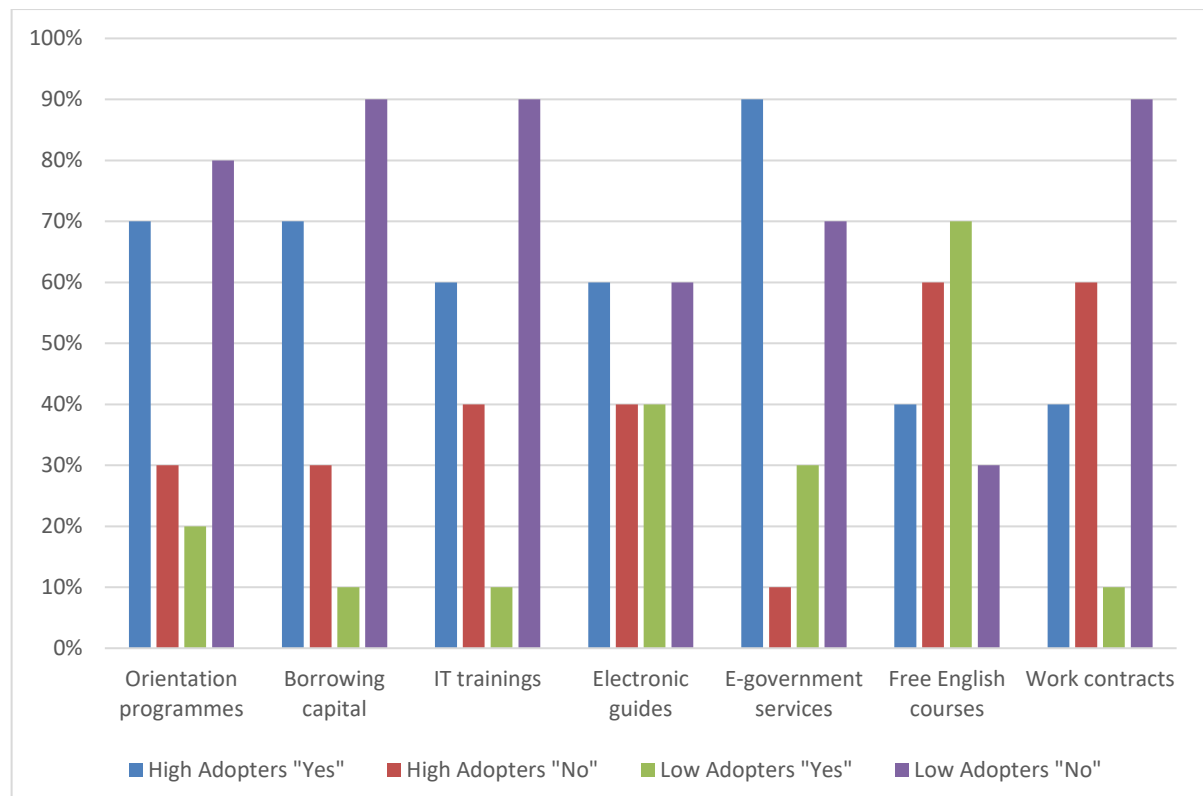
Figure 1. Level Of Agreement Amongst High And Low Adopters On Existing Public Sector Services

It became apparent that awareness of the existing programmes is very low. This is consistent with the findings in existing literature. For example, according to DBIS (2010), in a survey on minority ethnic groups (MEG), only 40% of MEG-led SMEs used public or any other external support, while 49% of all SMEs utilised business advice. Therefore, the EEs' rate of business advice utilisation is significantly lower than all SMEs.

The sample consisted of high-skilled migrants. The implications derived from the sample may not be directly applicable to the entire community. In this case, the findings may not be applicable generally, but the researchers did manage to compare them with counterexamples of general immigrants and tried to learn about the different and comparative experiences. The multiple case studies helped to conclude that despite the level of skills or level of IT adoption, all respondents have shown a strong desire to utilise government support. Here, the surprising fact is that while EEs utilise public sector support to a lower degree, they posit a strong intention to utilise it. This intention-action gap needs to be further explored.

Based on data collected and analysed during the qualitative research, a number of examples were identified for which high IT adopters generally agreed that they utilise an informal process when they need support for IT adoption processes. Some of them run businesses in the mainstream with a

local customer base, but when it comes to acquiring resources and support, they look for ethnic resources and social networking. This is similar to the findings of Mwaura et al. (2018) with EEs in Scotland. In answer to the question of "Have you had any difficulties getting access to any of the IT tools that you have adopted now?", a recently arrived Sri Lankan entrepreneur (Tier 1 entrepreneur visa scheme), who is successfully running a logistical and removal business that targets local customers, said:

"Yes. Developing a website is a big task. But I could get through it with the help of my relative as he has got the IT knowledge. He maintains the site when I request him. I pay him for it".

Similarly, all the EEs in the sample, who tended to hire IT staff or outsource the task, have mostly used personal contacts and ethnic resources.

Language problems, financial resources and a lack of training or experience were mentioned as challenges for successful adoption, and therefore these challenges should be considered in policymaking. A lack of credentials for foreign educational qualifications can also be a problem, as the majority of respondents have these. Out of 20 respondents, only three had UK qualifications. A EEs commented as follows:

"Yes. I like to have online chat service on my website. But if it gets a bit complicated, then I need somebody with good English to sit and work on it. It is costly. I'd like to have online booking and payment. But if I use them, maintaining the system can become more complicated. I would need more knowledge and money".

Another interesting point was that one of the EEs from the sample revealed how he built a low-cost website through online-help. He is a great inspiration for others who struggle with resource unavailability or limitations. Such exceptional individuals can be employed as change agents, opinion leaders and role models for others (Mwaura et al., 2018). He utilises a high number of IT tools in his entrepreneurial activities and has realised the utmost importance of IT adoption for running his business. He said that the company is based on online leads, so, in order to get the leads from lead providers, they need to have the website running actively. In addition, he uses company email, computers, phones, a GPS system, Dropbox, Google Drive, Office 365, cloud services, invoice generator software, online banking and more. He was initially confronted with high financial investments, a lack of IT knowledge and experience. However, he managed to overcome these problems to some extent. According to him:

"I hadn't had any prior knowledge about website development. I researched online and used the site builder site allowing users free website development. They provide advice through online

chatting, email or over the phone. I can use online templates. It wasn't that easy for me to become skilful at using the system and took too much time for mechanical operation. But with considerable effort, I found it easy to develop a website with my experiments".

His ideas enabled him to brilliantly overcome the challenge of resource unavailability. He has evidence that proves that costs should be considered against the benefits that are received in return. If there is no massive difference between low-cost or expensive web design, the former may be a way of maintaining cost containment. His idea opened the avenues of what was possible for EEs with little to no money. In sum, it is clear from the data that EEs' level of public sector support utilisation is very low, and they always seek support from social networks.

4.2 Key Reasons For Under-Utilisation

The reasons for under-utilisation of public sector support among the interviewees was linked with their preferences for using ethnic and social networks. The reasons for seeking ethnic resources were easy access to social networks and the cognitive or attitudinal aspects of the ethnic enclave, such as shared norms, mutual trust and reciprocity. High reliance on ethnic and social network support reflects the role of family and society (the ethnic enclave) in business operations in the EEs' context. One of the recently arrived EEs explained that:

"Regarding the public sector support, it's very much about filling in the forms and complying with rules to get things the right way in a very formal manner. So, there is no negotiations or compassion. They look at us like we are dodgers. So, if there is a problem, we should have a chance to say that this is not what we wanted and look for other options. It is just a one-way communication."

Based on the literature review, a range of predefined issues were listed in the semi-structured questionnaire. For example, language; other communication issues such as one-way communication; no negotiations; bureaucratic issues such as complicated administrative procedures; unfamiliarity with EEs' background; and discrimination (Ram and Jones, 2009; Desiderio et al., 2014; Ram et al., 2017). Pre-defined problems were listed in the semi-structured questionnaire and the respondents were asked to disclose anything else that was relevant. This approach allowed us to identify problems other than those commonly stated in existing literature. The research was able to identify 21 coding themes and, after further analysis, the most evident issues were categorised into seven categories, as stated in Figure 2.

Positive agreement with these reasons/barriers was more significant among low adopters than high adopters. A lack of awareness was more apparent than any of the other issues, which is consistent with existing literature (Mwaura et al., 2018). Sonfield (2014) posits that migration regulation

programmes are facilitating admission of ethnic entrepreneurs and investors through dedicated visa programmes. Even though these programmes facilitate entrance to the market, the immigration rules that ask EEs to prove business growth have a negative impact on its sustainability and survival amongst high-skilled migrants. According to them, they have to work hard to comply with the unnecessary requirements and regulations (especially those tax -related) rather than simply focusing on business development. Similarly, time was wasted on unnecessary paper work, filing and formalisation issues, which were associated with visa regulations. EEs therefore have limited time for research and development activities and information seeking.
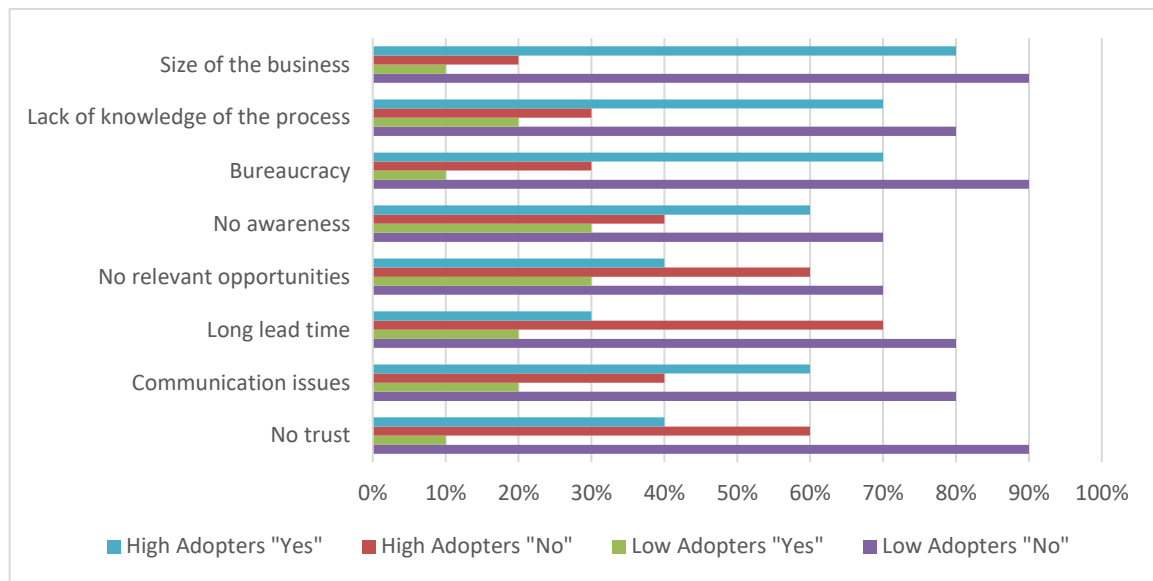

Figure 2. Barriers To Using Public Sector Services

4.3. Successful Cases Of Public Policy Support

Support opportunities were mostly identified by those EEs only that tend to socialise outside of the ethnic niche. This type of case was very exceptional and not typical for the majority of EEs. As one of them suggests:

"We can identify the supporting agency if they make direct and regular contacts with us. They are like strangers and when we make appointments, they look at us like aliens, so we feel very embarrassed at the very beginning of the conversation. They ask many questions and talk very fast and there is no proper listening. Many of us can't understand their accent of English and no translators are available".

However, one high-skilled EE who was running an e-commerce company with six employees was very keen on public sector support and had carried out extended research about the public sector and external programmes for business start-ups and developments. She had been awarded some work

contracts from a government sector organisation and collaborated closely with the Birmingham Chamber of Commerce for training. According to her:

"I managed to achieve a few work contracts via Compete For website. I have been informed about the available supply chain resources from advisers in the chamber. This new contact opportunity has a massive impact on my business growth. I had never imagined such opportunities available for small businesses beforehand until I speak to the adviser from the chamber of commerce. He was very positive about his experience with public procurement opportunities for small business".

5. CONCLUSION, RECOMMENDATIONS AND DIRECTION FOR FUTURE RESEARCH

It is clear from the above evidence that due to the difficulties in accessing mainstream support, and weaknesses of existing targeted programmes, EEs may tend to use co-ethnic networks. It is argued in this paper that if EEs use and trust co-ethnic networks for their entrepreneurial success and do not use or are not aware of public support, then policymakers should reinforce and adjust their programmes. Governments must collaborate and link up with co-ethnic networks and find strategies to more fruitfully use co-ethnic networks. More importantly, proactive measures should be instituted by governments to link co-ethnic networks and government initiatives. In order to do this, it is important to identify fruitful mechanisms for linking government programmes and co-ethnic networks. Making use of change agents, opinion leaders and role models from a co-ethnic network may be one solution for building this connection.

As existing literature suggests, it is important to acknowledge the context and, respectively, deploy contextually appropriate strategies. The importance of context is a key theme emerging from existing literature (Ram and Jones, 2009; Beckinsale et al, 2011). In particular, building ethnic insider networks clearly has relevance for social capital formation. By building these networks, there is considerable scope for developing more robust approaches to using people/individuals from the same communities to serve as role models for aspiring entrepreneurs and to create an informal training system for co-ethnic workers (Bailey, 1987). Nathan et al. (2013) discussed the non-economic contribution of high-skilled EEs as role models. According to the existing literature, "through what mechanisms and under what conditions these non-economic effects are produced is unclear, leaving a substantial conceptual gap" (Zhou, 2004:15). Hence, EEs should be scrutinised, not in terms of their level of success regarding the conventional rules of financial success but more positively in terms of their social potential. Herein, Agarwal and Prasad (1998) indicated that individuals with high levels of personal innovativeness can be identified by measuring such a level, and can then be employed as change agents or role models. Therefore, there is the need to link these ideas of acknowledging the

context, exploring the non-economic role of EEs and using aspiring entrepreneurs as role models with Agarwal and Prasad's recommendations.

In order to develop an integrative framework or mechanism, it is necessary to build a mentoring network that is embedded in the context, rather than searching for one or two guru mentors/role models from wealthy or millionaire groups. The majority of ethnic entrepreneurs have small or micro businesses. Therefore, role models should derive from this group. It is important to select similar role models as they have had successful, active experiences, and they have accomplished their targets in a way in which others can aspire to, like the previously mentioned case studies in the current research. We suggest these criteria because we want these role models to be real people who embody the definition of ethnic entrepreneurship and face similar challenges to everybody else from the same community. Emerging EEs will get the most from them by learning about what they do, how they do it and the types of choices they've made along the way in encountering those challenges. For underrepresented EEs, role models have the power to open up previously unimagined opportunities. The EE who efficiently developed a website for his logistics business as described earlier could serve as one of those role models.

This is supported by the idea of homophily, which refers to the tendency of people to form ties with individuals who are similar to them. According to Currarini et al. (2016:18), the "pervasive feature of social and economic networks is that contacts tend to be more frequent among similar agents than among dissimilar ones". The concept of homophily provides important implications on how change agents selected from the same community could bridge the ethnic enclave and public sector. As a lack of awareness was identified as a prominent issue, government and any other external support services should design activities that raise the level of awareness. It suggests that policy should integrate a marketing element in programme implementation. Even though word of mouth is a very conventional method of marketing, it may work well in this context via role models. Marketing and raising awareness through television or similar media in the EE context is challenging though, as they utilise different media and language and different social gathering styles.

Typically, peer role models have achieved a specific goal that others admire, and they are likely to be more readily available to chat about their experiences, processes they have used and their success, rather than role models who are from different backgrounds. It is also important to select some role models (peers) and first empower them through training. They would serve as change agents in reinforcing the relationship between the public sector and EEs. A group of inspiring EEs can form community-based intermediaries and communicate with EEs through them, and act as advisors for the majority of EEs. This will help to integrate a culture based on trust into the public sector support

programme. This emphasises the requirement of communicating and providing public sector support for EEs via informal and trusted networks, as trust-based interventions. Such networks can eventually be developed to form trade associations to resolve the communication problems, represent the entire community and facilitate information sharing. This kind of bottom-up approach may work well rather than the existing top-down approaches.
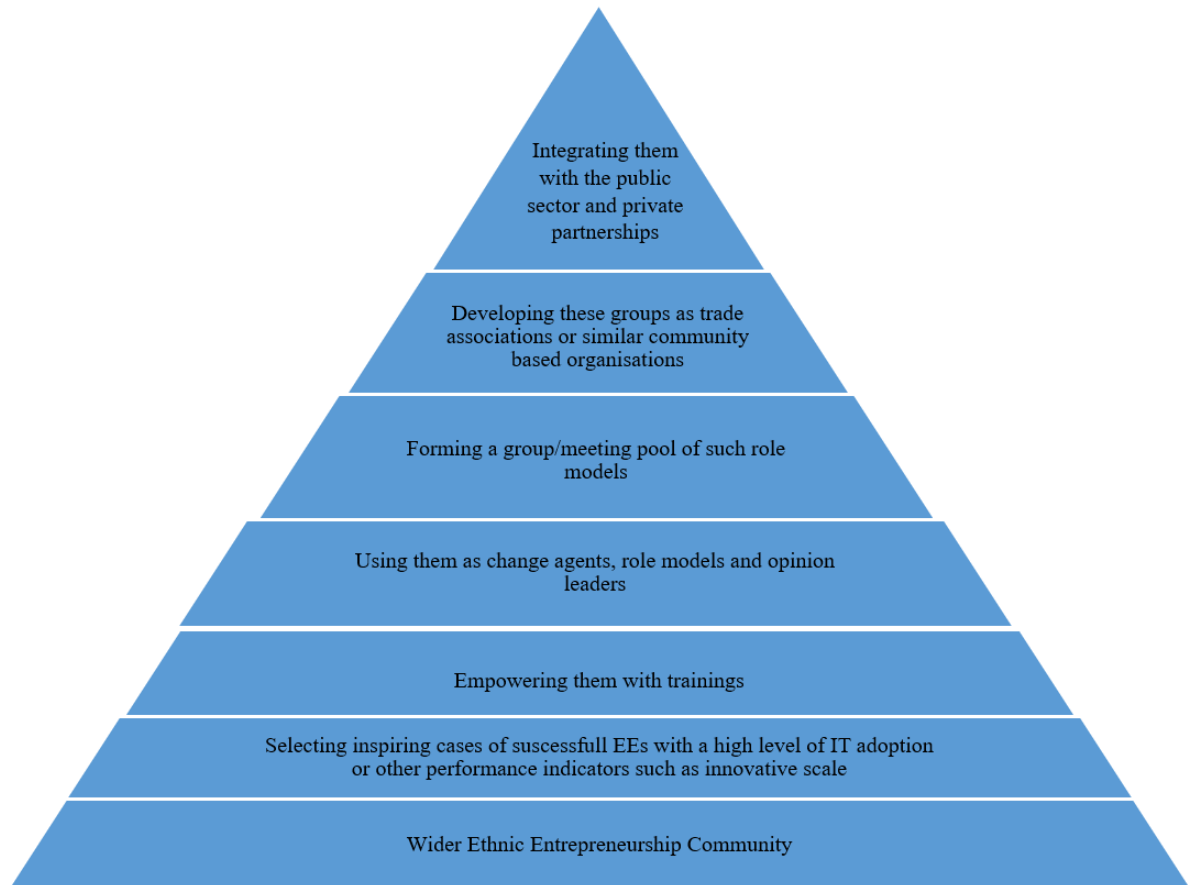

Figure 3. Framework For Enhancing Public Sector Services Utilisation

Our findings indicate that EEs utilise public sector support to a lower degree, but they posit a strong intention to use them. This intention-action gap needs to be further explored. The current research can be developed into a systematic quantitative survey for generalisable findings.

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