

ETHNIC ENTREPRENEURSHIP IN THE SOCIAL SPACE OF POLYETHNIC COUNTRIES: CONCEPTS, STRUCTURE, FUNCTIONING

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GENERAL CONSIDERATIONS:

ETHNIC DIVERSITY OF CONTEMPORARY WORLD: international migrants – 154 million (1990), 175 million (2000), 232 million (2013); 136 million lived in the North, 96 million – in the South (2013); Europe – 72 million, Asia – 71 million, Northern America – 53 million, Africa – 19 million, Latin America and Caribbean – 9 million, Oceania – 8 million (*Population Facts, No 2013/2*); there are 200 ethnic groups in Canada; the most European countries have ethnic minorities below 20% of total population, but 11 % of them have a larger proportion of ethnic minorities (Bosnia and Herzegovina – 44 %); Ukraine - 22 % ethnic minorities of total population; Latvia – 27 % ethnic minorities of total population (*Stefan Wolff, Volodymyr Yevtukh*).

ETHNIC ENTREPRENEURSHIP is a peculiar type of commercial/entrepreneurial activities connected with the ethnic origin of its actors in producing and spreading of products, goods and processes.

ETYMOLOGY:

Entrepreneur + ship

Entrepreneur - an individual who organizes or operates a business or businesses (*Wiki*).

Ship - not a vessel, but a conglomerate of actions directed to achieving definite results in that or that sphere of doing something – in our case business (*My definition*).

The word *entrepreneur* as a basic component of the term *entrepreneurship* is a loanword from French.

First used by Irish-French economist *Richard Cantillon* in 1723(*Essai sur la Nature du Commerce en Général*).

Constituted by *Jean-Baptiste Say* and in *Dictionnaire Universel de Commerce* (compiled by *Jacques des Bruslons*).

The term “*entrepreneurship*” is often conflated with the term “*small business*”. This configuration of the term is quite relevant to our case study – ethnic entrepreneurship, because the last is predominantly organized as a small business.

Statement: although today the term *entrepreneurship* has been extended to include a specific mindset – *social entrepreneurship*, *political entrepreneurship*, *knowledge entrepreneurship* – the subject of our evaluation goes to the sphere of businesses.

DEFINITION:

Entrepreneurship:

a) is the process of designing, launching and running a new business, i.e. a startup company offering a product, process or service;

b) is capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit (*Wiki*).

Ethnic entrepreneurship:

a) the term ethnic entrepreneurship refers to self-employed, business owners who belong to racial or ethnic minority groups in the United States and Europe (*Wiki*) and recently in Eastern Europe too;

b) ethnic entrepreneurship is ***ethnic marked process*** of designing, launching and running a new business (i.e. a startup company offering a product, process or service), and realizing the products of such a process inside and outside of the ethnically organized communities.

Important: In the context of ethnic entrepreneurship “**ethnic**” refers to ‘a set of connections and regular patterns of interaction among people sharing common national background or migration experience’ (*Waldinger et al*).

MARKERS OF ETHNIC ENTREPRENEURSHIP:

- a) actors are of ethnic origin (the same and different);
- b) goods, products and processes are produced mainly by these actors;
- c) ethnic entrepreneurs are producing such kind of products which concepts are based to a great degree on cultural and ethnic traditions of themselves and of their ancestors;
- d) low barriers of entry the business;
- e) low educational qualifications;
- f) small-scale production.

SOURCES OF ETHNIC ENTREPRENEURSHIP:

- a) native (aboriginal) people;
- b) ethnic groups with the continuance on the territory where ethnic entrepreneurship is practicing;
- c) immigrants and their descendants;
- d) ethnic homelands;
- e) transnational networks.

RESOURCES FOR ETHNIC ENTREPRENEURSHIP:

- a) own capital;
- b) from their close associates;
- c) family and kin;
- d) ethnic loans from the wider ethnic group;
- e) loans at banks;
- f) assistance from ethnic homelands;
- g) outside projects.

CHAINE OF TERMS - SIMILARITIES AND DIFFERENCES:

- a) *minority entrepreneurship* - small entrepreneurial activities/small businesses which actors do not belong to the majority population;
- b) *immigrant entrepreneurship* – entrepreneurial activities realizing by immigrants and their families;
- c) *ethnic entrepreneurship* - entrepreneurship of a peculiar type of commercial/entrepreneurial activities connected with the ethnic origin of its actors;
- d) *ethnic business* – a set of small activities with strong ties within an ethnic community
- e) *ethnic economy* - an economy of a set of ethnic entrepreneurs, ethnic entrepreneurial activities, enterprises comprised of self-employed employers, unpaid family workers and co-ethnic employees.

SOCIAL SPACES OF DISSEMINATION OF ETHNIC ENTREPRENEURSHIP:

- a) *Ethnic settlements*: as usual territories temporary settled by representatives of different ethnic groups; in rule with no stable internal ties.
- b) *Ethnic enclaves*: usual small closed settlements (settlements with exactly defined ethnic borders) characterized by ethnic homogeneity and steady ties within an enclave based upon a sense of ethnic origin, kinship, common culture and group solidarity.
- c) *Ethnic areas*: territories with a high concentration of representatives of that or other ethnic origin. The sources – tribes, appearance of new states in the result of division of former states, immigrant flows.
- d) *Multiethnic cities*: cities with the variety of people of different ethnic (racial) origin – Amsterdam, Athens, Berlin, Copenhagen, Frankfurt, Helsinki, New York, Vienna, Wrocław, Zürich.
- e) *Transnational network space*: social networks where ethnic component is evident and its activities within the networks influence on activities of their co-ethnics in traditional “container” spaces or national societies.
- f) *Virtual space*: Internet networks encouraging and facilitating interactions between co-ethnics in organizing and doing ethnic business.

STARTS AND AIMS OF ETHNIC ENTREPRENEURSHIP:

I (STARTS)

- a) *Getting the idea* (going into business through advice from others they know; watching others doing business; thanks communications in social spaces; media).
- b) *Getting capital* (own capital; from their close associates; family and kin; ethnic loans from the wider ethnic group; loans at banks; projects)
- c) *Finding coworkers and customers* (members of their ethnic group; as subordinate agents from other groups; customers are found from the ethnic community; customers are found from next communities; thanks advertizing; social networks; customers=coworkers)

II (AIMS)

- a) to meet the needs (to satisfy the requirements) in goods, products, processes connected with ethnic specificity, what is outside of activities of industriality (big businesses);
- b) to use an opportunity for self-employment;
- c) to give an opportunity for employment of co-ethnics or members of other ethnic communities;
- d) to form social capital of own ethnic community;
- e) to add vitality to particular streets or neighbourhoods in cities and geographical areas;
- f) to integrate newcomers via employment into mainstream of the society

THEORETICAL APPROACHES:

DEVELOPMENT EXPLANATION:

The disadvantage theory: most immigrants have significant disadvantages hampering them upon arrival (lack of language skills, education, experience, lack of mobility and limited knowledge – motivation to look for niches in ethnic entrepreneurship and stimuli to develop it).

The cultural theory: culturally determined features (dedication to hard work, membership of a strong ethnic community, acceptance of risk, ethnic solidarity, loyalty, orientation towards self-employment – encourage entrepreneurial behavior)

The middleman minority theory: arranging business between other people (travel agencies, garment shops, specialized grocery shops, tearooms, fast-food stands, souvenir shops – brings ethnic entrepreneurship closer to mainstream businesses and helps to integrate into mainstream of the life in a host society).

REASERCH PERSPECTIVES:

Socio-economic perspective: forming platform for accumulating social and economic capital.

Cultural perspective: development of cultural and behavioral conditions for social mobility and integration into mainstream.

MOBILISERS OF THE IDEA:

Howard Aldrich, Susanto Basu, Tüzin Baycan-Levent, Laguita Blockson, Edna Bonacich, Pierre Bourdieu, Judith Butler, Isaura Flores, Ivan Light, Ian Law, Peter Nijkamp, Jan Pieterse, Ludwig Pries, Janet Salaff, Richard Waldinger, Robert Ward, Bernard Wong, Richard Wright...

ETHNIC STUDIES AND ETHNIC MARKETING NEEDED

UKRAINIAN PERSPECTIVE (EXPERT OPINION POLL):

Date of poll: Winter 2014

Number of experts: 20

Ethnic background: Ukrainian, Russian, Crimean-Tatarian, Polish

Questions:

- a) Does the ethnicity play any role in choosing of a partner for business (entrepreneurship)?
- b) Do you feel discrimination on ethnic base doing your business (entrepreneurship)?
- c) Does ethnic solidarity play any role in doing business (entrepreneurship)?

Answers:

- a) Yes – 6 of 20; No – 14 of 20.
- b) Yes – 2 of 20; No - 18 of 20.
- c) Yes - 12 of 20; No – 8 of 20.

Remarks: examples of successful doing ethnic business (entrepreneurship) are fixed by Crimean-Tatars, Koreans, Uzbeks, Poles, Ukrainians.