

Handbook of Research on Entrepreneurial Success and its Impact on Regional Development

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A volume in the Advances in Electronic
Government, Digital Divide, and Regional
Development (AEGDDRD) Book Series

Information Science
REFERENCE

An Imprint of IGI Global

Published in the United States of America by
Information Science Reference (an imprint of IGI Global)
701 E. Chocolate Avenue
Hershey PA, USA 17033
Tel: 717-533-8845
Fax: 717-533-8661
E-mail: cust@igi-global.com
Web site: <http://www.igi-global.com>

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Library of Congress Cataloging-in-Publication Data

Names: Carvalho, Luisa Cagica, 1970- editor.

Title: Handbook of research on entrepreneurial success and its impact on regional development / Luisa Carvalho, editor.

Description: Hershey : Information Science Reference, 2015. | Includes bibliographical references and index.

Identifiers: LCCN 2015032773 | ISBN 9781466695672 (hardcover) | ISBN 9781466695689 (ebook)

Subjects: LCSH: Success in business. | Rural development.

Classification: LCC HF5386 .H24526 2015 | DDC 338.9--dc23 LC record available at <http://lccn.loc.gov/2015032773>

This book is published in the IGI Global book series Advances in Electronic Government, Digital Divide, and Regional Development (AEGDDR) (ISSN: 2326-9103; eISSN: 2326-9111)

British Cataloguing in Publication Data

A Cataloguing in Publication record for this book is available from the British Library.

All work contributed to this book is new, previously-unpublished material. The views expressed in this book are those of the authors, but not necessarily of the publisher.

For electronic access to this publication, please contact: eresources@igi-global.com.

Chapter 30

Entrepreneurship and Innovation: The Study Case of Portuguese in London

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ABSTRACT

For countries like Portugal, with limited prospects in terms of employment, one of the solutions involves emigration and the desire of part of the Portuguese people to establish enterprises in other countries, England being one of the most favoured. Taking into account these premises, and in the scope of a broader research on the Portuguese Emigrant Entrepreneurship in Andorra, London, Nice and Monaco, we carried out a questionnaire to 51 Portuguese entrepreneurs living in London, within several economic sectors, between 2013 and 2014. Our main goals were to know the profile of Portuguese immigrant entrepreneurs in London, the reasons for their emigration, the need or opportunity for entrepreneurship, the types and areas of activity of their businesses, the obstacles they had to deal with and the possibility for them to return to Portugal. The novelty of our research lies in the study of the ethnic and economic emigration of Portuguese emigrants in London, a study that was under-researched and under-analysed to this date.

INTRODUCTION

At present, in the European space, in which the lack of employment is a dominant feature, the way of life of people in general and the solutions to address the current economic and social crisis are being questioned. The creation of self-employment has been one of the strategies adopted in several countries as an important engine for the economy

and for local and regional development. For countries like Portugal, with limited prospects in terms of employment, one of the solutions concerns emigration and the desire of part of the Portuguese population to establish enterprises in other countries, England being one of the most favoured.

According to the Portuguese Observatory for Emigration, based on data from the Department

DOI: 10.4018/978-1-4666-9567-2.ch030

for Work and Pensions, which in turn is based on the number of immigrant citizens who applied for a British National Insurance number, between 2007 and 2013 the amount of Portuguese entering England more than doubled, from 12.040 in 2007 (2% of the total inflow of foreigners) to 30.120 (5%) in 2013. London remains the main destination of Portuguese immigrants in the United Kingdom. In fact, until 2004, Portugal was positioned in the top ten countries of immigration in London, though after the opening of the European Union to Eastern European countries, immigrants from other nationalities began to emerge.

But this condition raises several questions: Is being an entrepreneur for everyone? What are the characteristics needed by an entrepreneur in a world as competitive as the current one? What has been the motivating factor for these Portuguese individuals who decided to immigrate to England and managed to create their own businesses? In this work, we try to answer these questions, using as a case study four districts in London and trying to assess how the Portuguese have contributed to local and regional development.

As a deeper research was needed, in 2012 we began a research project on the Portuguese Emigrant Entrepreneurship in Andorra, London, Nice and Monaco (an international project being developed by CEPESE – Research Centre for the Study of Population, Economy and Society, University of Porto, Portugal). In what concerns the city of London, its main objectives were to be acquainted with the profile of the Portuguese immigrant entrepreneurs residing there, the reasons for their emigration, the need or opportunity for entrepreneurship, the types and areas of activity of their businesses, the challenges they have faced and the possibility for them to return to Portugal.

For that, between 2013 and 2014, a quantitative research (a questionnaire applied to 51 Portuguese entrepreneurs living in London) was carried out. A preliminary conclusion was that the entire career path of these entrepreneurs, firstly in Portugal

and afterwards in London, was invested mainly in the area of activity of “catering”. This profile leads us to conclude that there is a follow-up or continuation in terms of a previous professional experience.

This chapter is divided into four parts. The first one focuses on the concepts of entrepreneurship and innovation, and addresses some aspects of immigration to England. In the second section, we address the methods we have used, highlighting the main quantitative techniques. The following section presents and discusses the main results of our research. Finally, we draw some conclusions and present a series of proposals for future research work.

The term “entrepreneurship” was first used in the 18th century by economist Richard Cantillon, who gave it a definition very close to the one currently used (Drucker, 1986; Sarkar, 2007; Dornelas, 2008), describing the entrepreneur as “a person who pays a certain price for a product to resell it at an uncertain price, thereby making decisions about obtaining and using the resources while consequently admitting the risk of enterprise” (Cantillon, 1755, quoted by Sarkar, 2007). Even then, there was already an association of entrepreneurship/entrepreneur to risk, innovation and profit (Drucker, 1993).

Later, in the early twentieth century, many economists defined entrepreneurship in a more restrictive manner, linking it to innovation and economic development. Joseph Schumpeter (1982) was one of the authors who played a key role in defining the entrepreneur as someone who applies innovation from an economic perspective, working as the engine that drives and keeps the capitalist world in motion – a process he called “creative destruction”.

At the end of the twentieth century, Hisrich, Peters and Shepherd (2009) defined entrepreneurship as a process that creates something new with value by the devoting the necessary time and effort, assuming the resulting financial, psychological

and social risks, and collecting the rewards resulting from personal and financial independence and satisfaction.

The current global economic and financial crisis has contributed to increase awareness about entrepreneurship (OECD, 2013a). Entrepreneurship should be viewed as a phenomenon linked to business activity, which seeks to create value through the creation or expansion of an economic activity, identifying and taking advantage of new products, processes or markets (OECD, 2013a).

The numerous definitions of entrepreneurship that emerged over time prove that there is no universal definition. There are many perspectives on what entrepreneurship is, though in our perspective the most assertive definition is the one by Sarkar (2007), which states that entrepreneurship is the process of creating and/or expanding businesses that are innovative or arising from certain opportunities. This is a crucial concept for investment and economic development.

Entrepreneurs have been recognized as important sources of innovation and also of economic growth and employment. So, speaking of entrepreneurship is also speaking of innovation, change or creation. Several authors discussed these concepts, such as Drucker (1986), Porter (1990), and Chiavenato (2006).

The 1990s saw a substantial increase, both by civil society, the business world and the academic world, of the importance of the concept of innovation as a means to create and maintain a sustained competitiveness (Johannessen, Olsen & Lumpkin, 2001).

The concept of innovation can be defined as adding something new to an existing product or process. The keywords are “adding” and “existing”. As such, innovation is the successful use of new ideas (Okpara, 2007).

The OECD and the European Commission have pointed out that innovation is central to the growth of production and productivity, and that it can occur in any sector of the economy, including the public sector (OECD & European Commis-

sion, 2005). The process of innovation has evolved as the economy advanced, and globalization has been one of the factors for this development, as it provides companies with an easier and better access to information and new markets.

We share Schumpeter’s (1934) perspective, when he mentions that innovation is at the heart of economic change. For him, “radical” innovations lead to major changes in the world, while “incremental” innovations fill in the process of change continuously. Schumpeter (1934) proposed a list of various types of innovation, highlighting the introduction of a new product or a qualitative change in an existing product, in a new process within an industry, the opening of a new market, or changes in the organization of an industry. And technological transformations and innovations happen because companies seek economic gains and because it is a strategy for companies not to lose their competitive position or due to a more proactive attitude in order for them to become more competitive than their competitors (OECD and European Commission, 2005).

However, there is no unanimous definition of the concept of innovation, and that is one of the main challenges of the concept itself (Baregheh, Rowley & Sambrook, 2009). In fact, the term should be considered ambiguous and there is no general definition adapted to different disciplines and covering different aspects of innovation (Baregheh, Rowley & Sambrook, 2009). The difficulty of defining the concept of innovation comes from the fact that it is a systemic and complex phenomenon, and because it is an ongoing process difficult to be measured, since businesses change their processes and their products over time, continuously collecting information (OECD, 2013a). Still, the most developed countries have, in recent decades, been more concerned about its meaning, considering innovation as a key element in their political agenda. Innovation policy grew externally to the scientific and technological policies but absorbed significant aspects of the industrial policy. As the understanding of the concept of in-

novation improved, important changes occurred in the development of policies related to innovation (OECD & European Commission, 2005).

According to Montana and Charnov (1998), there are two forces that exert pressure for changes to take place: external and internal. External forces are those related to the wishes and the needs of customers, competition, changes in laws or regulations and new technologies. Internal forces are related to the formal and informal structure of the organization. In turn, the OECD and the European Commission (2005, p. 18) defend that “there are three major categories of factors primarily related to innovation. These concern business enterprises (“firms”), science and technology institutions, and issues on transfer and absorption of technology, knowledge and skills. In addition, the range of opportunities for innovation is influenced by a fourth set of factors – the surrounding environment of institutions, legal arrangements, macroeconomic settings, and other conditions that exist regardless of any considerations on innovation.

At the beginning of this millennium, the concept of “open innovation” arose, meaning “(...) that valuable ideas can come from inside or outside the company and can go to market from inside or outside the company as well. This approach places external ideas and external paths to market on the same level of importance as that reserved for internal ideas and paths (...)” (Chesbrough, 2003, p. 43, cited by West et al., 2014). Gassmann, Enkel & Chesbrough (2010) stressed that the concept of “open innovation” is based on different research streams and different perspectives. We can highlight some of the more important ones, such as the spatial perspective “(...) that leads to research on the globalization of innovation. Since research, technology and product development have become more global in a flat world, open innovation has become easier. (...) Being physically close to regional centres of excellence enables a firm to increase its absorptive capacity, therefore promoting access to the knowledge and competences of the best talents

worldwide without having to employ them” (Cohen & Levinthal, 1990, cited by Gassmann, Enkel & Chesbrough, 2010, p. 213).

Besides the structural perspective, the supplier perspective, the leveraging perspective, the process perspective, the tool perspective, the institutional perspective and the cultural perspective, it is important to highlight the user perspective. This last perspective focus on users that are integrated in the innovation process and that are able to utilize the available freedom at its early phases, in order to understand potential customers’ latent requirements and to integrate users’ hidden application knowledge (Von Hippel, 1986, cited by Gassmann, Enkel & Chesbrough, 2010, p. 214).

The relation between innovation and entrepreneurship is considered by Drucker (1986) as paramount, pointing four areas of opportunity for innovation within an organization or sector, and three outside enterprises: i) unexpected occurrences; ii) inconsistencies; iii) process needs; iv) changes in the sector and in the market; v) demographic changes; vi) changes in perception; vii) new knowledge. These opportunities may be provided individually or jointly, regardless of the degree of risk or complexity.

The concepts of innovation and entrepreneurship proposed by Schumpeter are considered as the most singular contributions to the economic science and were the first to clearly define the concept of innovation. However, this concept has changed over time since the first time the author addressed the concept in 1912, right to the 1940s.

In his first approach, he emphasized that the function of entrepreneurs was to carry out “new combinations”, associating the word innovation to these new combinations. Although the word innovation was in use since 1880, Schumpeter was the first author to point out that consumers’ preferences are set and do not happen spontaneously. He argued that any person seeking benefits and gains has to innovate. He also considered that innovation was a key driver of competitiveness and economic dynamism. For Schumpeter, innovation

was the process “(...) of industrial mutation, that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one” (Śledzik, 2013, p. 90). He considered development as the historical process of structural changes, significantly driven by innovation.

According to him, the entrepreneur’s work is to develop innovations. The main characteristics of an entrepreneur are intelligence, watchfulness, energy and determination. Entrepreneurship should be viewed as innovation, and the updating of innovation by an entrepreneur corresponds to a person who takes risks and who engages in businesses’ risks.

More recently, Georgellis, Joyce & Woods (2000) argued that small businesses that want to survive in a dynamic and high competitive environment have to be innovative. They also present three features that are needed to innovate successfully: the skill to plan ahead, the skill to innovate, and the will to take chances. The authors also noticed, according to Nooteboom (1994), that one of the main characteristics of small enterprises is their diversity. This results from the variety of the entrepreneurs’ backgrounds, motives and aspirations (Georgellis, Joyce & Woods, 2000).

EMIGRATION TO ENGLAND

Based on all assumptions made in the previous paragraphs, we conclude that entrepreneurship can be defined as the attitude of those who, on their own initiative, carries out or idealizes new methods in order to develop and streamline services, products or any activities concerning organization and administration. We raise the following question: May emigration, by itself, be defined as an act of entrepreneurship? In an analogy between entrepreneurship and the act of emigration, does not any migratory movement requires some type of organization and constitute an act outside the

ordinary daily life, implying changes in the social environment of emigrants and breaking their usual routines?

Immigrants contribute in various ways to the economic growth of host countries, bringing new skills and competencies. The contribution of immigrants to the economy through the direct creation of new businesses has, however, received little attention so far, with regard to European countries. The creation of businesses by immigrants on a large scale, in several sectors and professions, and their contribution to job creation, has been growing steadily over the last decade in several countries.

The evolution of the world to a global society also affected the evolution of the emigrants’ profile. If the Portuguese emigration in the period of dictatorship, i.e., before the revolution of April 25, 1974 (Carnation Revolution), was formed initially by young, low-educated males, the truth is that today, young people are still the main group to emigrate, but now they comprise both genders, single or newly married, and with higher academic qualifications, seeking their first job after university. They master several foreign languages and have good skills in terms of new technologies.

The Report on Emigration, prepared by the Secretariat of State for the Portuguese Communities Abroad in 2013, states that the new immigration wave has substantially different characteristics from the previous ones. Nowadays we watch the migration of a significant number of professionals with high academic qualifications and of entire families, including a significant number of school children, as well as people with more advanced ages and sometimes with full-time jobs in Portugal but with difficulties to fulfil financial commitments.

Currently, the main countries of destination for Portuguese emigrants are Luxembourg, Germany, Switzerland, Brazil and the United Kingdom (Pires et al., 2014). In Luxembourg, the Portuguese are

currently the most representative group of new entries, representing about 22% of all immigrants entries in 2013 (Pires et al., 2014). In Switzerland, in 2012, the Portuguese accounted for 12% of all immigrants entries. In the UK, the Portuguese immigration became, in 2013, the fifth largest contingent of immigrants, representing 5% of all immigrant entries. In Brazil, despite the steady decline in the volume of Portuguese immigration since the 1960s, the Portuguese constituted 5% of the total immigration for that country in 2013, being the fifth nationality in terms of new immigrants.

The problems regarding matching data produced by a variety of organizations, the weakness of statistical systems in some countries (which in the Portuguese case affects particularly the knowledge of immigration to Angola) and the international nature of these movements led to a growing intervention of the main international organizations in the production of databases and statistical indicators on immigration, which became indispensable instruments for a better understanding of this reality. Therefore, data originating from Eurostat, the OECD, the World Bank and the United Nations is frequently used.

There are currently two million, three hundred thousand Portuguese emigrants living around the world. This amount is the cumulative result of successive waves of international migrations since World War II. In a first phase (1960s), emigration was essentially transatlantic. The freedom of movement in Europe (since 1986, when Portugal joined the European Economic Community) increased due to agreements with the EFTA countries, which helps to explain why the Portuguese immigration to Europe began to increase (Pires et al., 2014). In 2010, European countries hosted more than two-thirds of the total number of Portuguese emigrants, and 85% of the emigrants who left Portugal that year went to Europe.

We can distinguish three groups of countries of emigration: i) countries with large but aged

Portuguese emigrant populations, declining due to the substantial reduction of emigration from Portugal – the cases of Brazil, Canada, the US and, on a smaller scale, Venezuela, where the entry of new Portuguese immigrants is currently insufficient to compensate for mortality and re-migration; ii) countries with large and aged Portuguese immigrant populations, but with a growing immigration, due to the increase of Portuguese emigration in recent years, sufficient to reverse the trend towards population stabilization or even recession, but not to compensate for the aging resulting from the decrease of new immigrants following the 1974 Revolution – this is particularly true in Germany, France and Luxembourg; iii) a set of new countries with a young and growing Portuguese emigrant population, although with variable standards – such as Switzerland, with an older history of intense Portuguese immigration (since the mid-1980s), the UK, now the main destination of Portuguese emigration and still growing (50% in 2013), and Spain, going through a phase of decline as a destination for immigration since the global financial crisis of 2008, due to the recession in the construction sector, which was responsible for the attraction of low skilled labour in the former period (Pires et al., 2014).

The effects of the economic crisis on the volume and pattern of Portuguese emigration varied over the past few years. In a first phase, between 2008 and 2010, the global nature of the financial crisis and its impact on employment in Spain, then the main destination of Portuguese emigration, resulted in the decrease of Portuguese immigration to that destination. Since 2010, with the asymmetric nature of the sovereign debt crisis, emigration grew very rapidly, and about 95,000 Portuguese left Portugal in 2012 alone (Pires et al., 2014). In this emigration growth process, countries such as the UK, Switzerland and Germany stand out, together with a generalization of emigration to economically stronger European countries (Belgium, the Netherlands and Scandinavian countries). Currently, the UK is now not

only the main target for the ongoing emigration, but also the most important destination for skilled Portuguese emigrants.

The new Portuguese emigration is now more qualified than in the past. However, according to the data available in 2010/2011, it is not right to say that emigrants' qualification is higher than the qualification of the Portuguese population in general. Until the mentioned years, the growth of the immigrant population with a university degree was similar to the one registered by the Portuguese population as a whole. However, after 2008, with the collapse of the immigration flow of disqualified Portuguese to Spain, and the growth of immigration to new destinations such as the UK and, in a smaller scale, to Nordic countries, it is possible that some changes are yet to be registered in the qualification structure of Portuguese emigration (Pires et al., 2014). Among the Portuguese emigrants in England and Wales, the weight of qualified professions is higher than in other major destination countries of Portuguese emigration. In 2011, the UK appears as the main destination of Portuguese skilled emigration (Pires et al., 2014).

At the OECD level (2013b): i) immigration represented 40% of total population growth between 2001 and 2011; ii) permanent immigration in OECD countries fell 2% in 2001, a figure that has remained in 2012; iii) immigration in the EU recovered 15% in 2011 after a decline of about 40% during the period 2007-2010; iv) in average, in the OECD countries, immigrants have been more affected than the natives with regard to unemployment, with unemployment rates increasing from 8.1% in 2008 to 12.8% in 2012; v) in the OECD countries, the proportion of unemployed immigrants increased from 31% in 2008 to 44% in 2012; vi) in 2012, France has absorbed around 5% of its immigration, but in the UK that number declined by 16% (OECD, 2013b); vii) the presence of family members, free migration and job prospects are the top three motivations for immigration between 2007 and 2011 (OECD, 2013b).

As for the creation of self-employment by nationals and foreigners, the OECD (2010) presents the following data: France - 8.1% (national) and 10.9% (foreign); Portugal - 15.6% (national) and 10.1% (foreign); Spain - 16% (national) and 8.7% (foreign); UK - 11.9% (national) and 13.4% (foreigners). Immigrant entrepreneurship is a valued trend in France and the UK, contrary to Portugal and Spain.

Investors and entrepreneurs are welcomed in places such as Canada, Germany, the Netherlands, Norway and the United Kingdom, countries that have developed policies to attract "high value" immigrants. For example, in July 2011, the United Kingdom launched a programme for immigrants with exceptional skills in the field of science, humanities, engineering and art (OECD, 2013b).

The UK and France show that self-employment is growing, as well as in countries with economic and social settings similar to Portugal, Ireland and Spain. In all these countries, foreign entrepreneurship is well accepted by local people.

In 2011, 11% of Portuguese emigrants in England and Wales were working in the field of personal services and protection and the same percentage was employed as plant and machine operators and as assembly workers. Intellectual and scientific professions comprised 10% of Portuguese emigrants in England and Wales, 7% were senior officers and managers, and another 10% were technicians and junior officers. 6% were working as salesclerks or similar, and the last 6% comprised administrative staff and similar (Pires et al. 2014).

A Study Case on Portuguese Emigrant Entrepreneurs in London

Techniques Used

The present research is integrated in a broader research project on the Portuguese Emigrant Entrepreneurship in Andorra, London, Nice and Monaco (an international project being developed

by the Research Centre for the Study of Population, Economy and Society, University of Porto, Portugal). As we have mentioned before, this paper is focused specifically on London. The main objectives were to know the profile of Portuguese immigrant entrepreneurs in London, the reasons for their emigration, the need or opportunity for entrepreneurship, the types and areas of activity of their businesses, the challenges they have faced and the possibility for them to return to Portugal.

To answer to these objectives, a questionnaire was presented to 51 Portuguese entrepreneurs living in London, at several economic sectors, between 2013 and 2014, using a convenience sample (Carmo & Ferreira, 1998). In August 2012, it was made a pre-test to try-out the questionnaire. The survey consisted of 65 questions, by means of a five-point Likert scale (1-strongly disagree / 5- strongly agree) to measure the opinions of the respondents. The questionnaire was divided into five groups of questions: the socio-demographic characterization of the respondents; their professional characterization prior to emigration; their professional characterization after emigration; the characterization of their current business in the UK; and the migratory path of the respondents.

The questionnaire took about one hour to be answered and was taken at the workplace of the respondents. It were selected four London boroughs where the majority of the Portuguese population is situated: South Lambeth, Notting Hill, Camden Town and Victoria, represented in Figure 1.

Businesses' selection was based on the Portuguese Business Directory in the United Kingdom (Portugal in the UK, 2013-14), and it was also used the "snowball effect" method by asking respondents to mention other Portuguese businesses existing in the city of London. For these reasons, and since the data referring to the universe of Portuguese entrepreneurs is incomplete, we decided to use a convenience sample.

The data was collected and released on an online platform, and later analysed with IBM SPSS Statistics 20.

The present study was based on a digital platform and a database. This research is innovative because: 1) it provides the organization, treatment and control of information from the beginning of the research, through the use of digital technologies; 2) it crosses two types of information: the one collected by us and the one produced by Portuguese emigrant entrepreneurs; 3) it provides the collected information to the scientific community, university students and national economic agents.

Research Results

In this chapter we present the analysis of the questionnaire survey that we made to our respondents in London, regarding the following items:

- A. Sociodemographic characterization
- B. Professional characterization prior to emigration
- C. Professional characterization after emigration
- D. Business characterization
- E. Migratory route

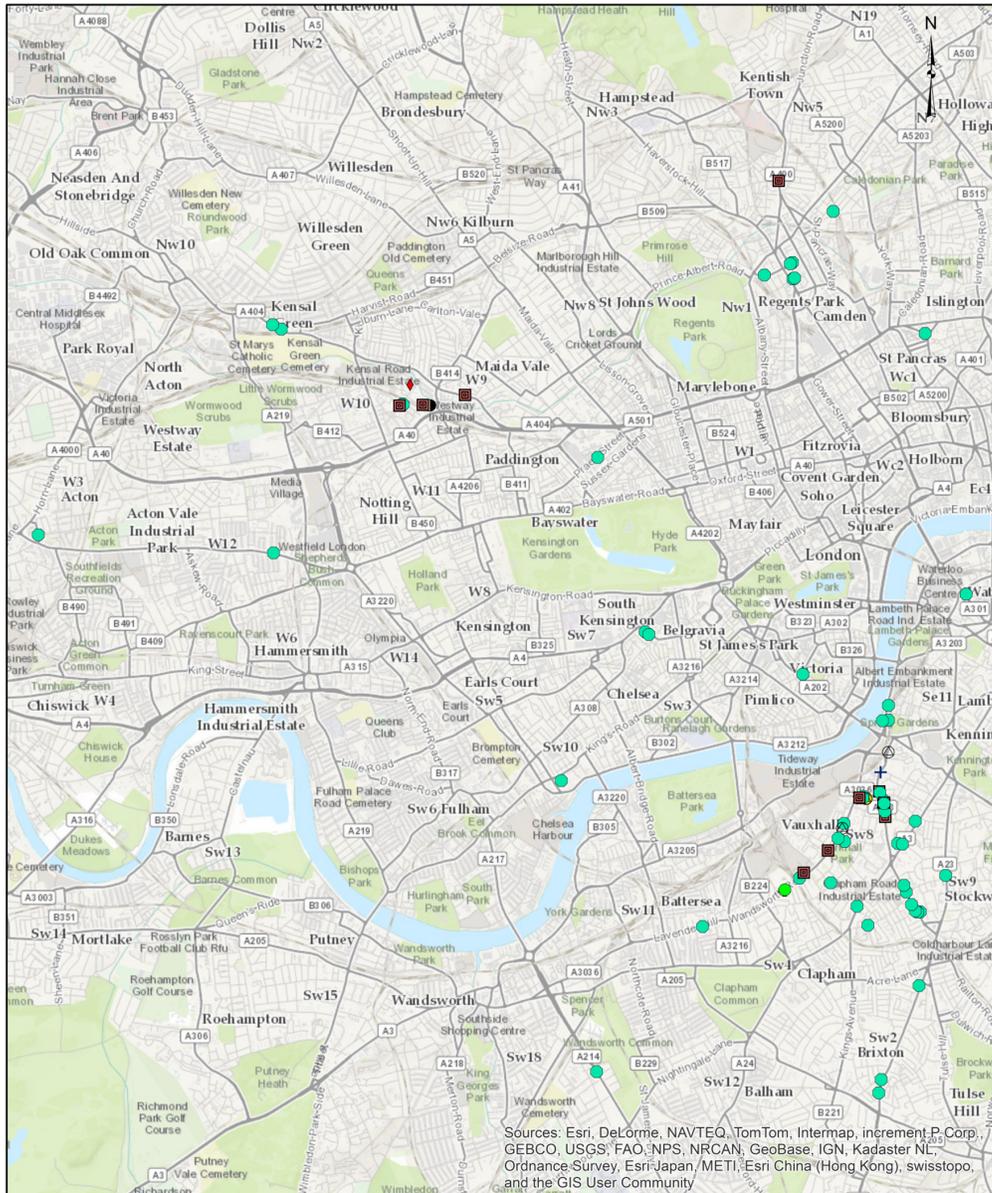
Sociodemographic Characterization

Of the 51 respondents, 36 are men versus 15 women, representing respectively 70.6% and 29.4% of the sample.

In terms of age groups, we found that the most represented group is situated between 42 and 49 years old with 19 cases (38%), with a very symmetrical and downward distribution between the groups with higher and lower ages. Thus, 82% of respondents are aged between 34 and 57 years old. The average age is 43.8 years and the median is 43 years, supporting the perception of an age symmetry among respondents.

The use of more accurate test allows us to determine that regarding age, our sample has a normal distribution (note that for the statistical application that we present – and under the central, dispersion and normal measures – we have used an ungrouped numerical variable), with signifi-

Figure 1. Cartography with the economic categories exercised by the Portuguese in London
 Source: Authors own elaboration based in the data collected for the project.



Cartography With the economic categories exercised by the portuguese in London

- | | | | |
|-------------------|---------------------|-----------------------------|--------------------------|
| + Advocat | ● Sport association | ✚ Building industry | ◆ Muscian |
| ● Staffing Agency | ⊙ Hairdresser's | ◆ Consultancy | ● Misleading advertising |
| ✚ Architect | ■ Commerce | ▲ Educational Establishment | ● Catering industry |
| | | ■ Translator | |

0 2,5 5 Km

Source: Autho's own elaboration based in data collected for the project Cepese

cance values above 0.05 (0.2 for the Kolmogorov-Smirnov test and 0.264 for the Shapiro-Wilk test). This trend is valid, at least descriptively, for both genders, although the lower presence of women in this sample does not allow us to statistically establish this similarity (see Figure 2).

Since this study refers to a migrated population, it matters to check the nationality of the respondents, i.e., if their path had some impact on the choice to keep their Portuguese nationality or to acquire a new one. In this particular case, all the respondents kept their original nationality, which suggests that being Portuguese has not been an impediment in the context of the United Kingdom for the establishment or operation of a business. Moreover, there are no cases of dual citizenship (when the Portuguese and English law allow it). Analysis further ahead will allow to verify this aspect in more detail.

As we are focusing on the geographic origin of the respondents, we can see that they do not come from a homogeneous regional basis. The most represented Portuguese regions among the Portuguese entrepreneurial community in Lon-

don are the autonomous region of Madeira with 37.8% of cases – in accordance with the known tendency of Madeira’s populations to choose Anglo-Saxon destinations to migrate –, followed by the Central region with 24.4% and the North region with 22.2%. We did not find a significant internal mobility since the municipalities of origin are geographical close to – or even the same – of those of birth. Therefore, we have every reason to believe that the migratory route of the respondents was not preceded by an internal migration within Portugal.

Next, we present the data for both moments (birthplace and residence by the time of emigration), according to the Portuguese Nomenclature of Territorial Units for Statistics – second level (NUTS 2).

Another item for the characterization of the population under study is their marital status. In this sense, we have found that the absolute majority is married (44 cases, 86.6%), which may be understood as a sign of family stability (see Figure 3).

Figure 2. Age groups

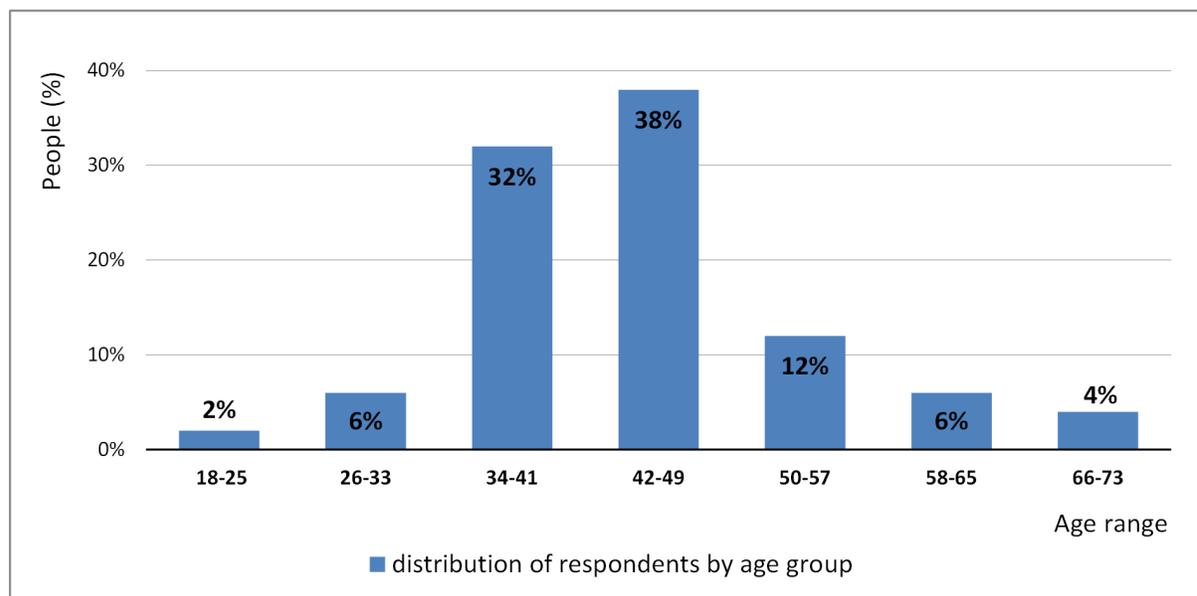
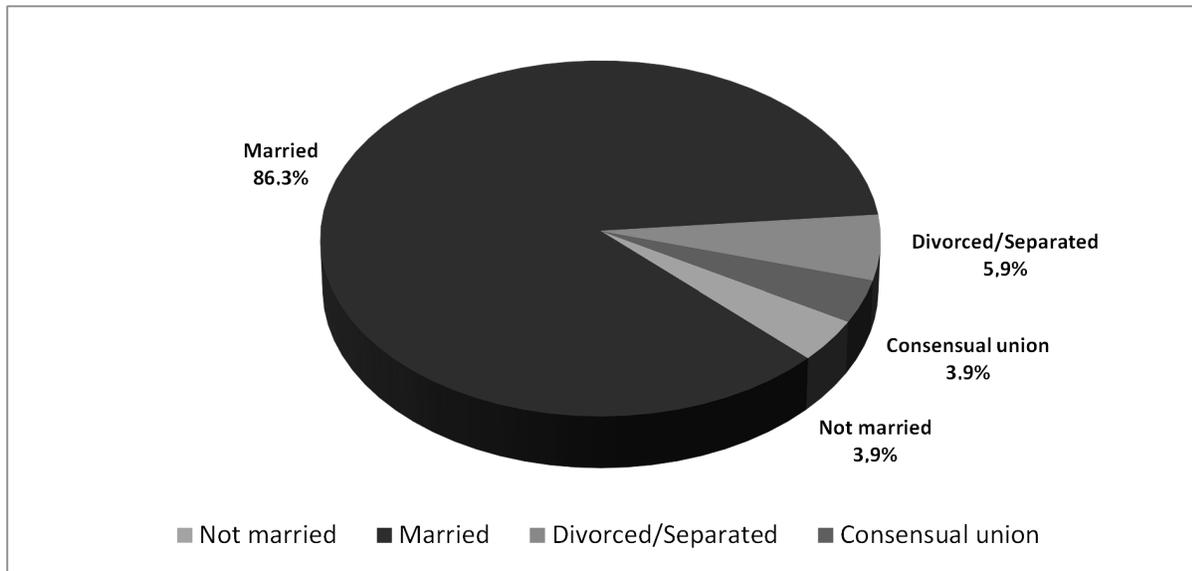


Figure 3. Marital status of respondents



In addition, we found that, with regard to the nationality of spouses, the vast majority also has Portuguese nationality (93.6%). This is of particular interest since it seems to indicate one of two possible scenarios: an adult emigration with a stable personal situation in Portugal prior to emigration; or perhaps a sign of a strong community element within the destination country.

The issue of nationality is also relevant with regard to the children of the respondents. Across the entire sample, we have only found two cases where children had no Portuguese citizenship. However, dual nationality is much more frequent, as we have found 12 children under these circumstances against 22 cases having only the Portuguese nationality (these values are not relative to the total number of respondents, since in many cases there is more than one child per household, while others have no children at all).

The family structure of the cases in study allow us to discern a certain continuity of the social and identity fabric prior to emigration. In other words, we can conclude that there is a “maintenance” of Portuguese nationality during the migration

process, visible not only in the predominance of spouses of the same origin, but also reflected in their children’s nationality, which, from a human relations point of view, seems to suggest that there are ties of identity and community that prevail well beyond our borders.

At this point, and since we set out to study a population with a specific career path – entrepreneurship –, we are interested in knowing what their literary skills are, as well as the type of additional training respondents obtained along their professional route.

We found that the level of education is generally quite low, with a significant majority of people (71.5%) having completed one of the degrees of basic education. Among this group, 28.6% only completed the first cycle, which inevitably leads us to conclude that certainly schooling has not been one of the central elements for their professional development. In fact, and in accordance with the data presented at the theoretical part of this work, Portuguese emigration currently going to London is highly qualified, but most of the entrepreneurs who make up our sample migrated in the 1980s

and 1990s (60% of our sample), and as we have mentioned before, the academic profile of Portuguese emigrants only improved from 2010 on (see Figure 4).

Nevertheless, a significant number of respondents decided, at some point in their path, to get additional training (20 cases, i.e., 40%). Among these cases, we find that the most sought after areas are vocational training in the field of hotels, restaurants and tourism (31.3%), followed by areas related to hairdressers and aesthetics, but also those related to accounting, administration and taxes, each area with nearly 18.8%.

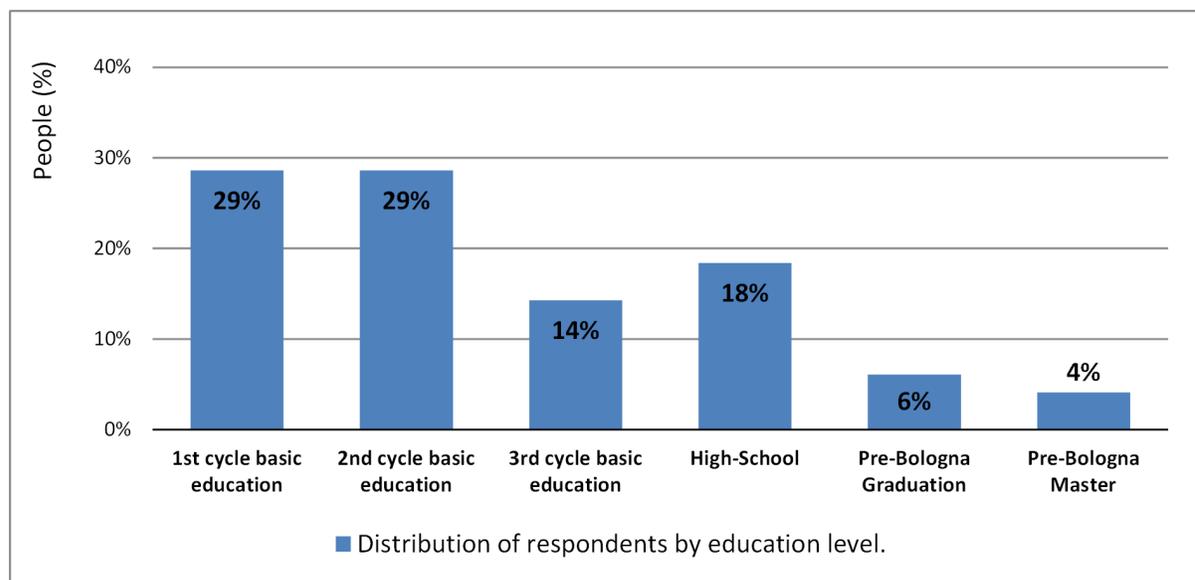
Roughly speaking, these three activity sectors account for nearly 70% of the training obtained. Therefore, we can infer that the area of training seems to be directly related to the professions they have carried out or the type of business they ended up developing. This conclusion will be tested on further ahead, with a thorough analysis of these data.

Bearing in mind the relatively low levels of education observed in our sample, we assessed

whether there was some kind of correlation between these values and the need to obtain additional training. From our study, we detected that the most qualified people were precisely those who sought to further enhance their initial training. The majority of the respondents who have completed secondary education or some kind of higher education sought these additional courses, against only 28.6% of those who had the 1st cycle of basic education. Even though the reduced numbers of our sample do not allow us to obtain a consistent statistical confirmation of this trend, it is nonetheless an aspect to consider.

If we look more specifically to the training of the respondents, we can see that it was obtained in a school context, at least for most of them (60%), that is, prior to their integration in the labour market. On the other hand, when we look back on the methods for obtaining the training, we realized that the main mean of financing such training was through their own resources (57.9% of cases), followed by State support (36.8%).

Figure 4. Educational level of respondents



Professional Characterization before Emigrating

Given the different objectives that were established for this study, the professional career during the emigrant route is of particular importance. We are especially interested in understanding if entrepreneurship was an aspiration developed still in the Portuguese territory or only after their arrival to the United Kingdom, and, if so, in what conditions was this objective turned into a reality.

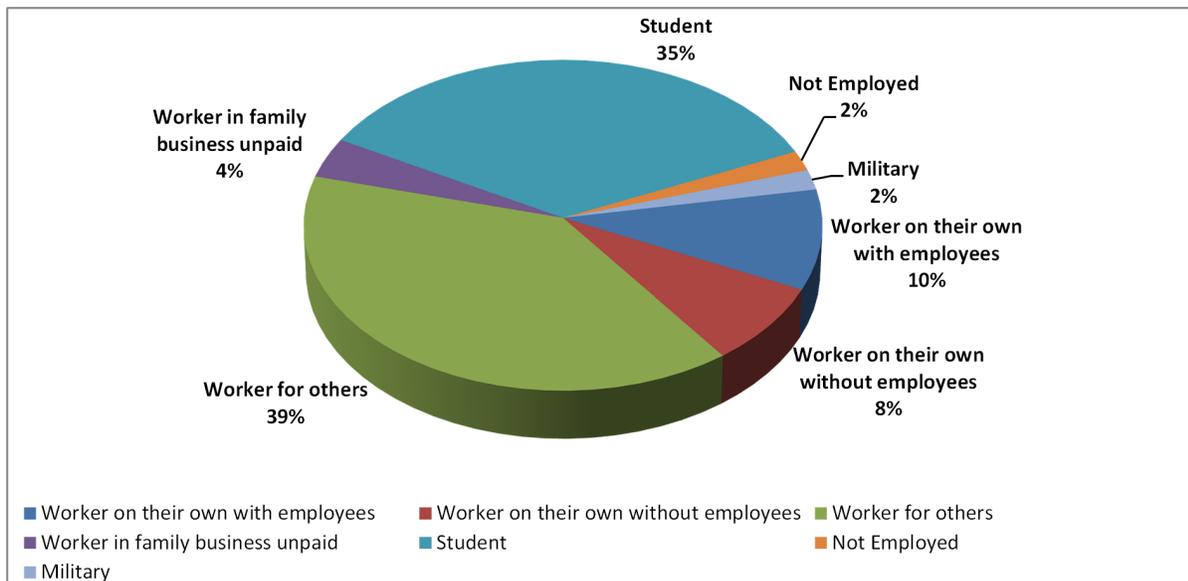
Initially, we will focus our attention on labour and professional conditions in which respondents were before they started their migrant route. A significant number of respondents was not yet working when they emigrated. Indeed, 18 respondents (35%) were students when they moved to the UK, to which we can add 4 respondents with transitory situations (in the military service, unemployed or with unpaid jobs). Thus, the process of emigration emerged as an important means of obtaining work for a significant part of our sample (see Figure 5). For the remaining cases, we found

that were inserted in the Portuguese labour market, mainly working for others (20 cases, 39%) and, to a lesser extent, self-employed (9 respondents of which only 5 had employees).

The analysis of the professions carried out in Portugal allows us, at the same time, to see that no professional group stands out in particular, but rather a wide variety of low-skilled jobs, which – together with the issues already discussed – fits with the relatively low levels of education of our sample. For example, we can mention waiters and bartenders (6 cases), construction workers (2 cases) and hairdressers and similar (3 cases).

As we have already mentioned when analysing the employment status, we note a very marginal number of situations in which entrepreneurship began in Portugal. Strictly speaking, this ends up being confirmed by the number of businesses founded prior to emigration (9 cases), which represents only 18% of our sample. Of these, 2 cases were in the hotels, restaurants and similar services sector with 2 cases; other service activities, with 3 cases (this area includes hairdressers

Figure 5. Employment status in Portugal



and beauticians); and trade, with 4 cases. Obviously, these areas of activity correspond directly to the professions effectively carried out by the respondents.

Professional Characterization after Emigration

As we have stated before, the migration process was, for many respondents, their first interaction with the labour market.

In the case of London, we have found that, prior to the decision of establishing their own businesses, the majority of respondents (82.4%) were employed and working for others. Therefore, emigration emerged as an important driver of integration in the labour market, and, simultaneously, working for others was the basis on which subsequent projects of entrepreneurship were built upon.

Among the first professions carried out in London, cleaning workers at private homes, hotels and offices (36%) and waiters and bartenders (26%) stand out. Thus, we can conclude that jobs with lower qualification and experience requirements are those that, in practice, immigrants get easier access to. On the other hand, the educational level before or during the emigration process did not seem to foster access to higher-level or more demanding professions. For example, of the 13 respondents who were students before emigrating, only 1 had access to a more demanding profession (administrative specialist), while the remaining were distributed through the above-mentioned sectors.

Working for others seems to be an almost “mandatory” step for the Portuguese emigrants in London. Indeed, only in 4 of the 51 cases under study, the creation of a company or a business started as soon as they arrived to the UK. The absolute majority of the remaining respondents started working for others (92%) and most of their employers were not of Portuguese origin (76%).

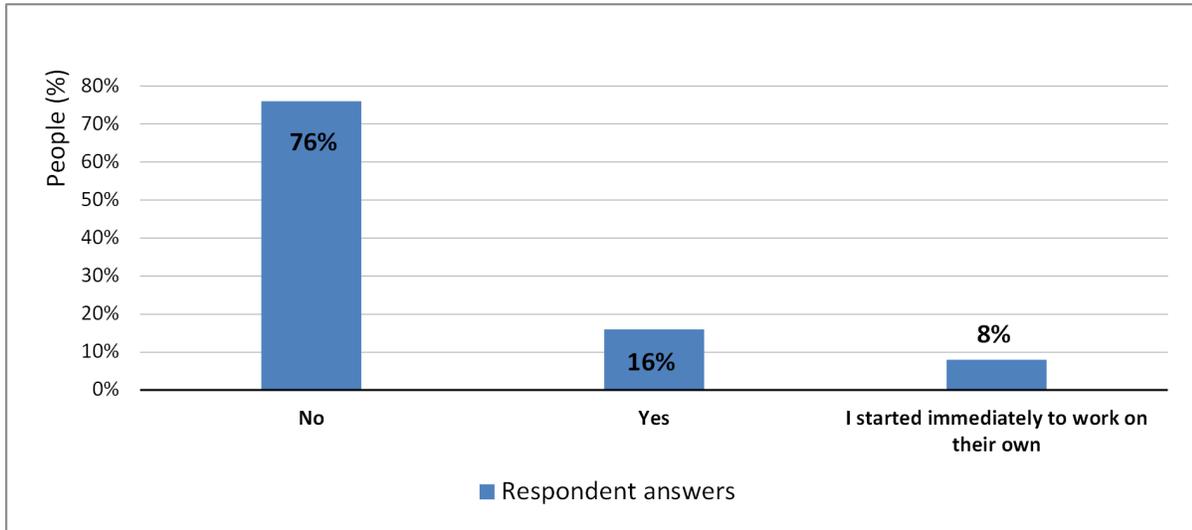
This turns out to acquire a special relevance to the present study, in that there is no significant communitarian dimension in terms of labour. In other words, these values do not allow us to conclude the existence of a real economic or professional Portuguese enclave in London, at least as a determinant reason for the emigration of our respondents. It should be noted, however, that we are looking at a specific moment of their migratory route, which does not necessarily mean that this type of community structure was not developed subsequently (see Figure 6).

Business Characterization

As stated in the preceding paragraphs, our sample is comprised of a migrant population with low levels of education, and with experience in low-skilled occupations. This trend is reinforced by the migratory process, because the respondents, even after entering London’s labour market, ended up carrying out similar functions or even below those they could expect, even considering their initial training. Still, we can highlight activity areas such as trade, services, and restaurants and hotels. In fact, despite the high number of invalid answers that do not allow us, for now, to take far-reaching conclusions, we can say that the type of companies that welcomed Portuguese emigrants seemed to end up having a decisive influence in their entrepreneurial route. Indeed, we think that there is a link between the professional experience accumulated in the destination country and the activity sector in which respondents develop their own businesses.

It is therefore possible to state that among the various components constituting the professional experience of immigrants in London, the type of work and the economic sector where they start working when they arrive are more decisive than the training or even their professional experience in Portugal. This idea is strengthened by the reasons that respondents pointed out to be the most

Figure 6. Was the first employer of Portuguese nationality

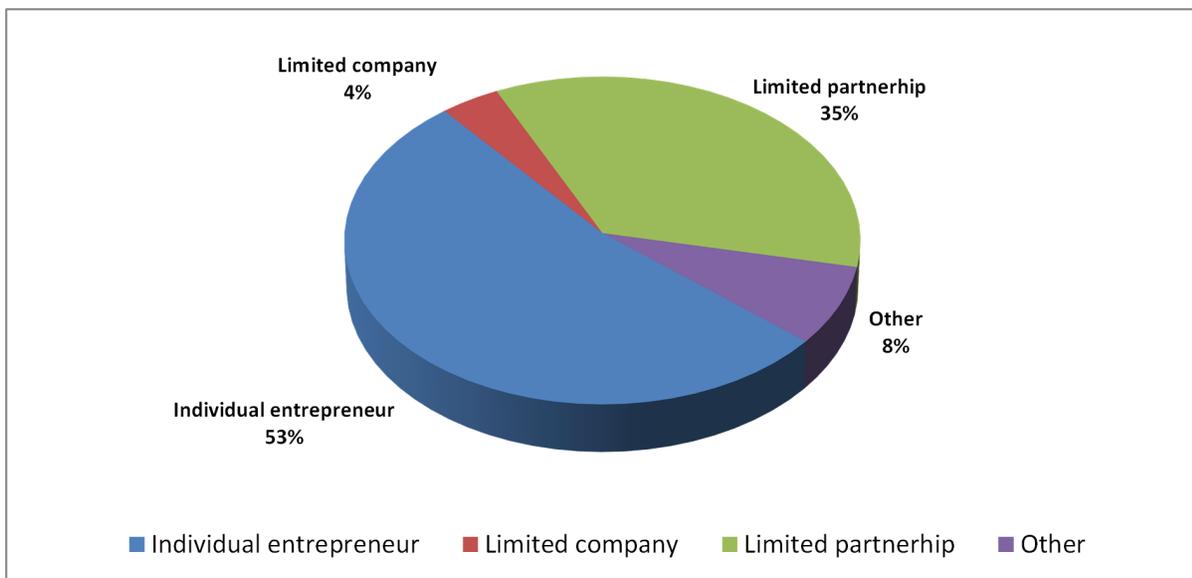


important in choosing the economic sector to create their businesses. Thus, personal preference for the sector and previous experience in the area stand out from other reasons, with these two elements emerging in the top positions (an average of 2.19 for “I had experience in the activity” and 2.43 for “I like the activity”).

We will now direct our analysis to the structure of the main company that respondents constituted

in London. The type of companies is distributed by sole proprietors and in the form of limited partnerships, with 52.9% and 35.3% of cases respectively. At first glance, these predominant legal forms might suggest that we are dealing with small businesses, operating in the field of trade and services, especially proximity services (see Figure 7).

Figure 7. Legal form the business



Entrepreneurship and Innovation

The number of partners supports this idea, since in 60.8% of cases the entrepreneurs own their businesses alone, and in the remaining situations the number of partners never exceeds 2 elements (see Figure 8).

If we look more closely at the composition of their businesses, we see that in the cases where they are constituted in the form of a society, most partners are close relatives of the respondents (65%, 13 cases). Moreover, of all the validated surveys, 100% of partners are Portuguese or of Portuguese origin.

This aspect is of great importance for the understanding of the construction process of the immigrant entrepreneurship in London. Although the respondents have worked mainly for employers who were not of Portuguese origin, as soon as they created their businesses they did it with people close to them, often with family members involved in their business and, above all, with people from Portugal. These elements allow us to perceive an entrepreneurship comprised of small-sized organizations, prepared on the basis

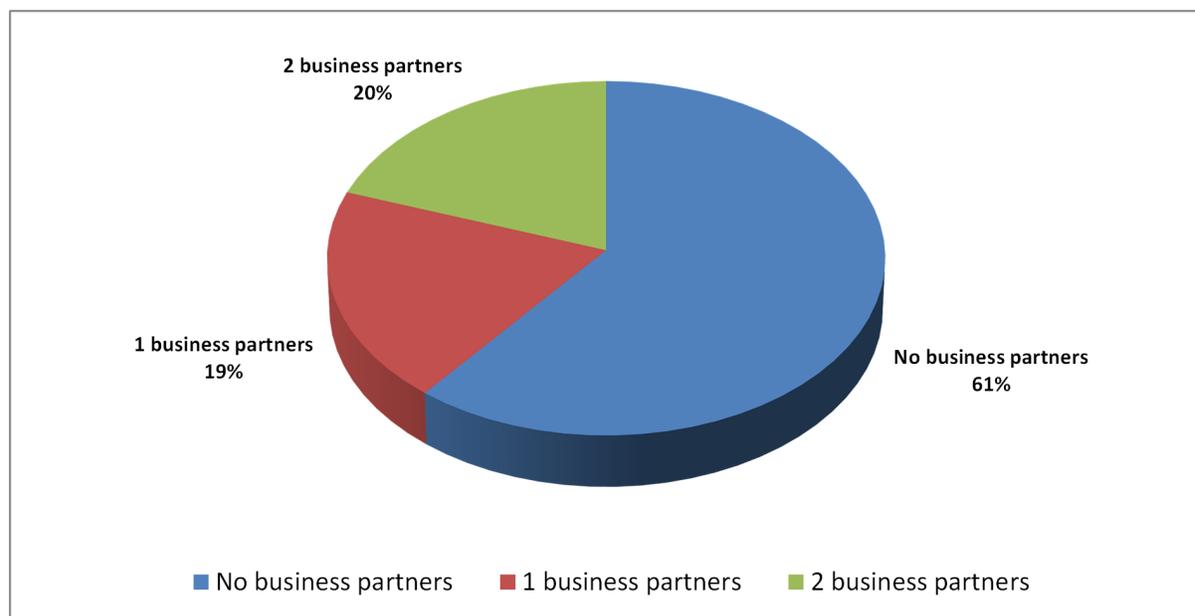
of professional experience acquired in London and largely supported by family members and/or by the Portuguese community.

Another indicator of the limited size of the type of entrepreneurship we have found is that there are few cases where the respondent is the owner or partner in more than one company. In fact, this is the case of only 33.3% of respondents. We have only detected one case of a respondent participating in a total of 6 companies, which we assume to be an exception.

A possible explanation for the predominance of individual or family entrepreneurship may be the time of implementation of the companies. The vast majority of companies were founded in the last 14 years (78.5%). This aspect seems to indicate a relatively fast and recent entrepreneurship, though it follows a longer professional and social integration route.

The age of the respondents at the time of the foundation of their businesses is just a reflection of that reality. This age distribution has a very similar structure to the age of the respondents

Figure 8. Number of business partners



(an approximation to a normal distribution with a well-defined symmetry). The most represented age groups are between 26 and 33 years old (40.8%) and from 34 to 41 years old (30.6%). This means that there was a significant period between the beginning of the emigration process and the completion of the entrepreneurial route.

Another element supporting this situation is the time it took for the decision of setting up a business, over six years for the absolute majority of respondents (68.6%). Therefore, the time of adaptation to London's labour market seems to have been quite long and fundamental for the achievement of their business. It is reasonable to affirm that, for most situations observed in this study, entrepreneurship was not on the genesis of emigration, instead emerging in the destination country as a logical follow-up of a given professional career.

Finally, the time required to obtain the necessary license/permit for their businesses was fairly short, since in most situations it was not necessary more than a month to obtain the respective licenses. So, the condition of immigrant/foreigner was not a significant obstacle, at least in terms of administrative issues. However, we are dealing with an intra-European migration, therefore with less restrictive legal constraints than most non-European countries.

We saw earlier that the process of setting up a business arose after a professional career often started from the bottom. Consequently, it took a long period of experience and skill-building to achieve them. That was certainly one of the reasons why the studied companies constitute one more step of a continuous transition process that began many years before with waged and unskilled labour, until the subsequent creation of their own businesses.

The size of the organizations created by the respondents ends up reinforcing this idea, because for the most part they have 9 employees or less (58%) and with revenues less than one hundred thousand euros per year (64.3%). This

means that they are mainly microenterprises, a model of entrepreneurship in which the owners contribute greatly with their own work and with a negligible impact on the markets in which they operate (reduced turnover, small sales volume, etc.). The small size, the low capital necessary for their development and the fact that such businesses rely mostly in the labour of the entrepreneur itself (18%), makes this type of business more apt for those willing to start an entrepreneurial activity. This set of factors is not incompatible at all with the low-skilled immigrants that make up our sample (see Figures 9 and 10).

The resources used for the creation of their businesses also support this idea because the vast majority of the respondents admitted the use of personal savings (77.2%), and only 19.3% resorted to bank loans. The entrepreneurial logic has more to do with aspirations associated to work and employment status than with the accumulation of capital gains or other type of income. In fact, the type of return expected in the event of the sale of the company is an example of this reality, as only 46% of respondents admitted to anticipate a profit.

We were able to verify that most respondents, when entering London's labour market, began working for local employers, that is, employers who were not of Portuguese origin. Since one of the objectives of this study involves the perception of the existence of immigrant economic enclaves in London, we tried to assess whether respondents, after establishing their businesses, hired employees of Portuguese origin. We must, however, recall that the companies that we are studying are mainly microenterprises and therefore they usually have a relatively small number of employees (10 or less).

Thus, of the 51 cases of businesses with employees that make up our sample, we found that 23 have at least one worker of Portuguese origin. Among these 23 businesses, the average number of Portuguese employees is of 10.65 per establishment. There are two cases in which the number of Portuguese employees amounts to 25

Entrepreneurship and Innovation

Figure 9. Number of employees

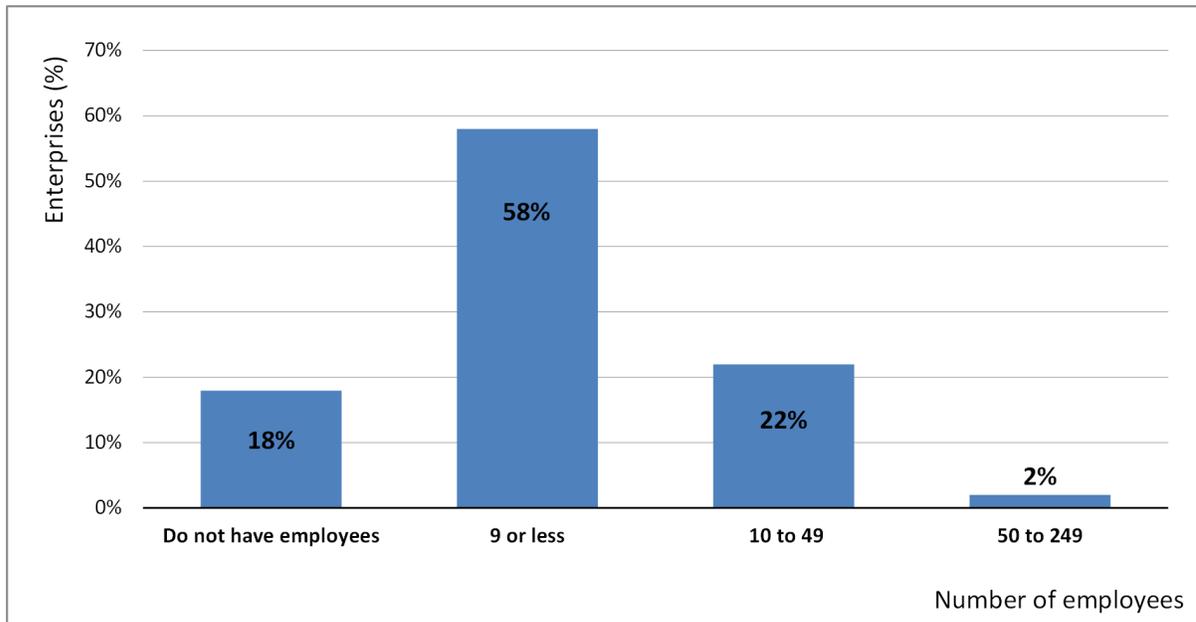
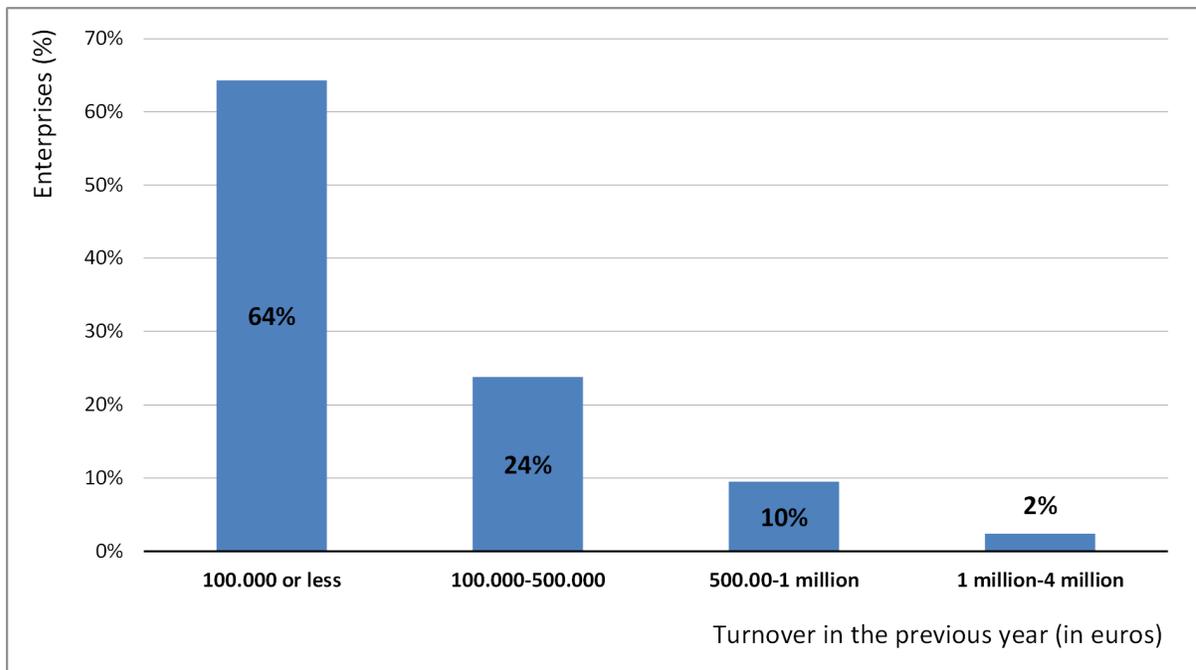


Figure 10. Turnover in the previous year (in euros)



or more. This aspect allows us to conclude that the entrepreneurs of Portuguese origin make a wide use of hand labour within their home community, which reinforces the idea of the construction of an enclave, at least with a professional nature. On the other hand, as we have already seen, the family and community representation is also present in relation to the origin of the respondents' business partners, strengthening even further the link between entrepreneurship and emigration.

However, although this link clearly exists in the cases studied, we have found that it does not represent an active element for emigration, i.e., respondents do not seem to look directly in Portugal for the employees they need. In fact, for the vast majority of cases (80.5%), no Portuguese employees were in Portugal at the time of hiring. As for the remaining cases, they mostly regard recent emigrants (2008 onwards), with 32 cases.

This also seems to be the case for a large portion of Portuguese hired locally. In 50.8% of cases, hiring took place between 2008 and the time of completion of the observation measurements in this study (2013). Although we have no additional data on the year of emigration, or on its motives, it seems that the financial and economic circumstances of Portugal since 2008 are somehow related to the availability of Portuguese immigrants willing to start or continue to work in London.

One final point of interest with regard to employees/collaborators of the respondents relates to the training plan. In this scope, the provision of training is a reality for the large majority of cases (77.8%). That training is essentially provided at the workplace/enterprise, namely for 28 cases, that is, 82.4% of our sample.

In the study of immigrant entrepreneurship, we have found that the respondents, though developing their activity in London, ended up relating themselves to a wider professional context, particularly with other Portuguese. This is visible by looking at the nationality of their business partners but also of their employees. As such, we

tried to assess whether these relations extended to other levels of their businesses, in particular, their customers and suppliers.

Thus, during the field study, we asked respondents to calculate the percentage of Portuguese clients. In 56.9% of cases, such customers accounted for at least half of their entire market, and in 31.4% of cases this ratio exceeded 75%. Consequently, it is clear that the Portuguese community, besides participating in the operation of these companies, also constitute their main market. In short, we can sustain that community ties are a key element in the creation, running and even in the survival of these businesses. It is impossible to separate the entrepreneurs' geographical origin of the immigrant community in which they develop their activity.

The same analysis could be developed in relation to suppliers of the studied businesses. In this case, the above-mentioned relations are even more predominant, since for 61.2% (30 cases), 76% to 100% of suppliers are Portuguese. On the other hand, about 75.5% of suppliers are not based in Portugal but in the United Kingdom (the 37 cases where suppliers are based in Portugal represent less than 25% of the total).

We are clearly before something more than a mere professional enclave with regard to Portuguese emigrant entrepreneurs in London. In reality, we stand before some kind of extended economic enclave in which the creation and development of enterprises are highly dependent upon community ties created by the Portuguese in the UK.

In most cases, the construction of the respective businesses is carried out in association with relatives or other Portuguese immigrants, through the recruitment and use of Portuguese workers and, ultimately, directing the production of goods and services mainly to other Portuguese emigrants.

In order to better understand the type of obstacles that, from the perspective of the entrepreneur, are at the origin of the main challenges and/or constraints experienced by the surveyed

companies, a list of different aspects was submitted for them to rate, on a scale of 1 to 5, the number of problems encountered (1 representing “few problems” and 5 “many problems”).

The analysis of these assessments shows that business owners have the perception that they have found few obstacles with regard to the development of their business. The average score of all the presented constraints is always located very close to the lowest level (level 1). The only items where there is no such trend are the “level of competition” with an average score of 2.59, the “tax burden” with an average of 2.57, and finally, the “amount of market/customers” with an average of 1.67, far from having the same importance of the other two.

In the case of the “level of competition”, respondents mentioned its importance as an obstacle for the implementation of their businesses: 25.5% of respondents valued this item with 3, and 27.4% placed it at the higher end of the scale (4 and 5).

We recall that the most represented sector among the companies studied is that of hotels and restaurants, and all seems to point out that respondents denote difficulties with the structure and size of this market in London. However, the survey data does not allow us to make a distinction between the global competition involving all companies in the sector and possible intra-community difficulties.

Another element considered to be problematic was the tax burden. On this item, we have a different score distribution in comparison to the previous one, with a higher concentration of the most negative assessments (4 and 5) with a total of 39.2%, somewhat counterbalanced by the high number of lower scores (1 and 2) with 52.9%. The bottom end of the scale alone (1) received 45.1% of the responses, meaning that nearly half of the respondents did not find tax burden to be a problem at all, at the same time that over one third considered to be a great obstacle.

So, if for the item “level of competition” the average score was the result of a concentration in

middle of the evaluation scale, in the case of “tax burden” we find a similar average score, but as a consequence of a strong representation of both the top and the bottom ends of the scale.

We were also able to check the obstacles that were perceived as less difficult to overcome. Although most obstacles present averages below 1.5, we highlight “entrepreneurship skill” with 1.08, “flexibility and adaptability” with 1.22 and the “limited access to social and business services” with 1.2. These items, especially the first two, represent a positive self-assessment of the intrinsic constraints to their personal and professional skills. In summary, with regard to the greatest barriers for their business, the entrepreneurs that make up our sample mention two external factors, the level of competition and a heavy tax burden¹.

Respondents were also asked about the qualities or potential of their own businesses, with the intention of detecting what type of issues do emigrant entrepreneurs see as strengths and weaknesses with reference to their companies’ management.

Again we find a large concentration of responses in the ratings, but in different terms to what was observed when addressing obstacles. Respondents considered all items as a strong points of their companies. The average scores are clearly concentrated at the top of the scale, ranging between 3.29 and 4.65, with a single exception regarding the “relationship between partners”, with an average of 2.93.

Given these data, we will refer in more detail to the items which record higher and lower averages. The item considered to be “less strong” among the companies under study is related to “access to credit”, as only 2% of respondents considered it as a “strong point”. In turn, the lowest score (1) represents 88.2% of the answers. This assessment seems to contradict the evaluation made to the obstacles faced by respondents, since when evaluating access to credit, they did not considered it a major barrier. One possible reason for this disparity may be related to a matter of semantics or contextual interpretation.

The second condition considered to be less positive by respondents is the location of the business (average of 3.94). Apparently, in some cases, location did not meet the expectations of the entrepreneurs, with 9 cases (17.6%) considering it only satisfactory. It is important to remember that this is a community comprised of entrepreneurs mostly linked to the sector of accommodation and catering, and areas of commercial affluence coupled with the characteristics of the means for the business' implementation can have a significant impact on the business volume and, therefore, in getting greater or lesser dividends.

The strengths that stand out are the "experience in the sector", the "quality of products and services" and the "organizational resources" (infrastructures, equipment), with an average of 4.65, 4.63 and 4.47, respectively. Once again, the entrepreneurs' professional experience in the activity sector where they have decided to create their businesses is considered to be fundamental for the choice of their entrepreneurial route, as well as an added value for their companies.

Across the various items of this study, we saw that the creation of a business comes as the culmination of a series of stages that these emigrants had to overcome throughout a particular career, and not exactly as the epitome of an eventual vocation or personal fulfilment.

Pertaining to the *modus operandi* of the companies under study, the "quality of products/services" and "the environment lived in the organization" represent some of the internal aspects involved in the operation and management of the enterprises. Again, respondents expressed a high level of confidence in their skills and their use in the daily operation of their businesses. Regarding the "product/service quality", 82.4% answered 5, while regarding the "environment experienced in the organization", 76.5% also answered 5, revealing a very high level of self-assurance.

Migratory Route

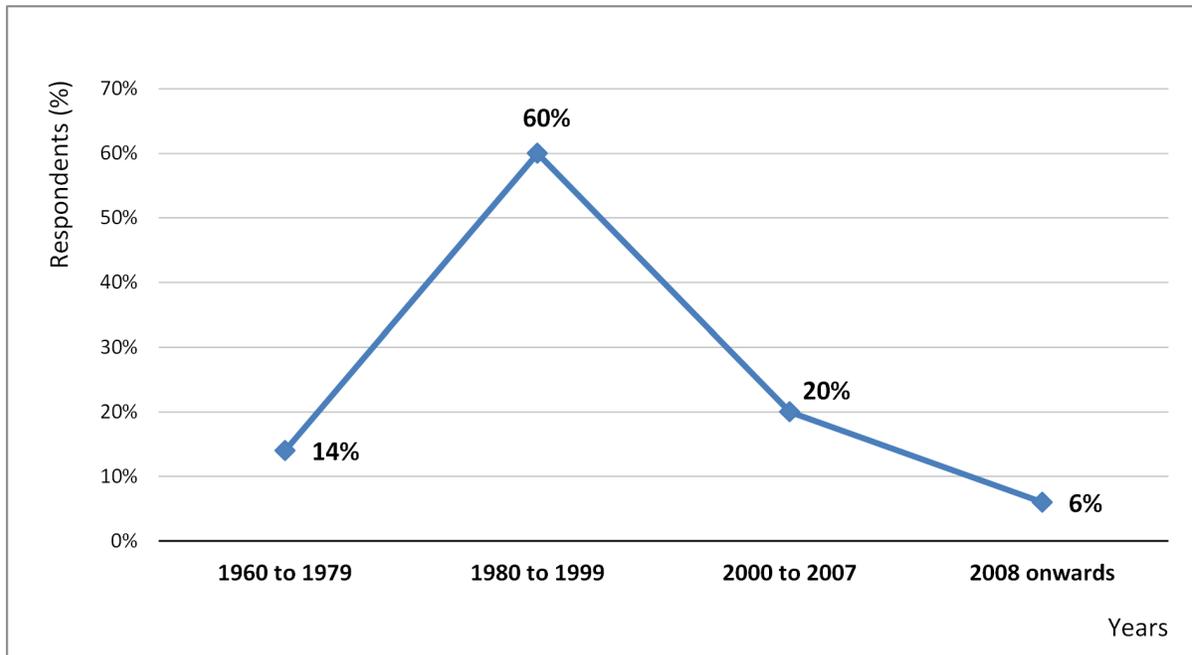
The last point of our analysis addresses the migratory route of the respondents, as well as some indicators on their integration and assimilation in the country/city of destination.

Most entrepreneurs who make up our sample emigrated for the first time in the 1980s and 1990s, with 30 cases (60%). Recent emigration is minimal, with only three cases from 2008 onwards. This is particularly interesting because 2008 is commonly considered as the starting point for the economic and financial crisis in Portugal, which still lasts. Indeed, the significant increase in emigration that has been observed did not seem to have corresponded to the immediate creation of new businesses by Portuguese entrepreneurs. However, the study of the routes of the entrepreneurs that comprise our sample allows us to understand that this process depends mainly on the accumulation of professional experiences and only arises after a relatively long and fruitful career.

In London, we have witnessed an emigration with an economic and professional origin, composed of people with relatively low levels of skill and experience. Consequently, they have only developed their activity after several years at the destination country, and the choice for entrepreneurship only came up later in their lives (see Figure 11).

When asked about the main reasons that led them to emigrate, respondents confirm this idea. The most frequently mentioned reasons were "looking for better living conditions" (60%) and the "existence of family members in the destination country" (64%), against only 17.6% of answers mentioning the "easiness of setting up a business". The prospect of getting a job and the existence of a support network ultimately constitute the initial motivations for these emigrants, confirming the notion of an economic migration more than an

Figure 11. Year of departure from Portugal



entrepreneurial emigration. Furthermore, we know that the companies that they have created depend largely on the Portuguese community in London and, as such, we can infer that, although we are not facing an entrepreneurial emigration, it provides at least the means for their economic support/emancipation, as well as for their personal and professional development.

In addition to the better living conditions, we have already mentioned that the existence of family members in the UK seems to have been an important factor in the choice of that destination by respondent entrepreneurs. In this sense, we decided to observe the extent to which this support was decisive or not in the decision-making and if that emigration structure was later reproduced.

A first aspect relates to the knowledge and the sharing of migration experiences, since we have noticed that the vast majority of respondents (82.4%), had family members with a similar route. This means that respondents have benefited from the experience of their family members and of the positive results that they were able to obtain. In

fact, it is safe to say that this set of experiences brought them new aspirations and new perspectives of life, quite different from those that they had met in Portugal.

Secondly, the existence of such knowledge and contacts allowed the establishment of a personal support network, breaking many of the most common barriers to emigration. As an example, we may refer common issues such as moving to a new house, difficulties with a new language, contacts in the local labour market, information on the bureaucratic and legal system, etc. This type of contacts in the host country was decisive for the emigrants in our sample, as 32 respondents (82.1%) had family members residing in the UK prior to their own emigration.

It is interesting to note that benefiting from this family support, respondents, in turn, also helped others to emigrate, thus increasing emigration, becoming part of a sort of an informal system of information sharing and mutual support. This was the case for 64.7% of our sample.

This data is particularly important when analysing emigrant entrepreneurship in London as a whole, where in addition to an economic enclave with a strong community component, we have detected a predominance of personal relationships with other Portuguese people outside family relations. Thus, in 18 cases (36%), non-family Portuguese individuals represent at least 76% of all personal contacts. And for 60% of respondents, personal relations with Portuguese other than family members represent at least 50% of all relations. Likewise, for 60% of respondents, relations with people of English origin is never greater than 25% of their total personal contacts. Finally, relations with individuals from other countries, European or not, are practically non-existent.

This aspect has a direct influence on the language most used by respondents. We have already established that the family composition of these entrepreneurs was mostly of Portuguese origin, with rare cases of mixed marriages. That is probably why the vast majority of respondents (91.8%) use the Portuguese language commonly in their family context.

Moreover, the Portuguese language also ends up being an important means of communication for the development of the professional activities of the respondents. Indeed, as we have already mentioned, a large proportion of customers and suppliers are also of Portuguese origin, which, of course, is inevitably reflected in the way they communicate. As such, all the entrepreneurs who make up our sample use the Portuguese language in the context of work, and 74.4% of them use it for at least half the time they are working.

In relation to migrant entrepreneurs in London, we have outlined a set of indicators that seems to point to the existence of an economic, professional and, to some extent, cultural enclave within the Portuguese community. This is clearly seen in the large concentration of businesses linked to the accommodation and catering sector, with commercial networks anchored in the Portuguese

community in London and with family relationships still very connected to their roots. However, this does not seem to mean that this community is closed upon itself, but it is instead a response to a wider and open market created and sustained by the Portuguese emigration flow. In other words, we are talking about a niche market of products and services for which people of Portuguese origin are the main target group.

This notion makes even more sense when we analyse the existence of plans for the expansion of the economic activity of the respondents. Even though 21 entrepreneurs answered positively, only four intend to do so in Portugal. The current negative economic environment in the Portuguese territory can partly justify these scarce intentions. On the other hand, we cannot disregard the entrepreneurial nature of our sample, since the very essence of the entrepreneurship that we have found cannot be dissociated from the migration process, its constraints and its potential.

The possibility of returning to Portugal is also a suggestive example of this reality, because despite being seen as a real possibility for a significant part of the respondents (58.8%), its achievement is always placed in a distant future, form any only after their retirement. Indeed, of the 30 respondents that intend to return to Portugal, 14 (46.7%) mentioned the retirement period as the time to materialize such intention.

CONCLUSION, STUDY LIMITATIONS AND FUTURE RESEARCH

The ability to pass on the determination, willpower, vision, passion and focus – the foundations for any entrepreneur – is the basis for the success of a country and a society.

It is urgent to change the paradigm, to rebuild Portugal and guide it towards success, a country that, throughout centuries, lived and survived on the emigration of its people, sometimes for politi-

cal reasons, sometimes for economic reasons, but that even today continues to see its citizens living it, in search for better living conditions.

Research Results

Our sample was composed of 51 respondents, 36 male and 15 female, mostly aged between 34 and 57 years. All of them kept Portuguese nationality. The vast majority of their spouses also has Portuguese nationality, as well as their children. With regard to dual nationality, we have found 12 households members under these circumstances, against 22 cases with only the Portuguese nationality. The family structure of the respondents allow us to discern a certain continuity of the social fabric and identity prior to emigration.

The level of education is generally quite low. The truth is that many of our respondents emigrated still young, so they did not complete their studies in Portugal, and as soon as they emigrated, they started to work. Current emigration is quite different, since most of the Portuguese emigrants are young graduates or even with a master's degree, leaving the country to start their professional career in London, as we have demonstrated in the literature review in the first part of this work.

Most entrepreneurs who make up our sample emigrated in the 1980s and 1990s. The academic profile of the Portuguese emigrants only began improving from 2010 onwards. Nevertheless, a significant number of respondents decided at a certain point of their route to getting additional training. Among these cases, the most sought after areas were vocational training in the fields of hotel, catering and tourism, followed by areas related to hairdressers and aesthetics, but also those related to accounting, administration and taxes. We have also observed that the most qualified people were precisely those who sought to further enhance their initial training.

With regard to their professional characterization before emigrating, we found that a significant number of people was not even in the labour mar-

ket in Portugal. As for the respondents who were already working in Portugal, most of them were working for others and carried out low-skilled and low-training professions.

When deciding to establish their own business, the majority of respondents were working for others in London. Wage labour was thus, according to our study, almost a "mandatory" stage for Portuguese emigrant entrepreneurs in London.

We must point out that the type of companies receiving Portuguese emigrants seems to have had a decisive influence in their entrepreneurial route, with a clear link between the professional experiences accumulated in the United Kingdom and the business sector in which respondents ended up developing their own business.

The type of companies created by our respondents is distributed by sole proprietors and in the form of limited partnerships, which relates to the fact that most of them are small businesses. Moreover, of all the validated surveys, all partners were Portuguese or of Portuguese origin.

This aspect is of great importance for the understanding of the immigrant entrepreneurship construction process in London. Though respondents have worked mainly for others and for employers who were not of Portuguese origin, when they created their own business, close links prevailed, often involving family members and, particularly, people of Portuguese origin. At the same time, with regard to the host country, and similarly to the results of other studies, we have found the existence of an upward social mobility, due to the change in the context of social status (Gonçalves, 2009).

These elements allow us to think of an entrepreneurship marked by small-sized organizations, built upon the professional experience acquired in London and, which is also relevant, largely supported by family members and/or by the local Portuguese community.

The vast majority of companies were founded over the last 14 years. The time of insertion and adaptation to London's labour market therefore

seems to have been quite long and fundamental to the achievement of their business. Thus, entrepreneurship was not on the genesis of emigration, only emerging already in the United Kingdom, as a logical follow-up of a given professional career.

We are dealing essentially with microenterprises, a model of entrepreneurship in which the owners contribute greatly with their own work and with a negligible impact on the markets in which they operate (low turnover, low sales, etc.). This small size, the low capital necessary for its development and the fact that it resorts almost exclusively to the labour of the entrepreneur himself, clearly facilitates the access of vulnerable populations to entrepreneurship. This set of factors is, as such, perfectly compatible with the low-skilled immigrants that comprise our sample.

We have also found that among companies with employees, 23 have at least one element of Portuguese origin. In addition, in these cases, the average number of Portuguese employees stands at 10.65 employees per company, a high value considering that most businesses created by the respondents have 9 elements or less.

The local Portuguese community acts as a nest, as everything revolves around Portugal, from products to buyers. Network operation is a competitive advantage that gives good results. It is clear that the Portuguese community, besides participating in the activity of these companies, is also its main market. And the suppliers of the studied companies are also of Portuguese origin, for the most part.

Hence, we are facing an extended economic enclave in which the creation and development of enterprises is highly dependent upon the community ties established locally. For most cases, business operation is carried out in association with relatives or other Portuguese immigrants, recruiting and using Portuguese workers and, ultimately, directing the production of goods and services mostly to other Portuguese emigrants.

This fact corroborates the study by Portes (1999) with regard to the characterization and functioning of ethnic enclaves.

Some authors, like Bonacich and Modell (1980), report that most employees hired by ethnic entrepreneurs share the same nationality. In this study, we confirmed this approach, as 54.3% of the respondents have Portuguese workers. This is another of the advantages of ethnic entrepreneurship: helping immigrants, with the community working together, and the economy running side by side with the social support. Leaving the home country, immigrants tend to settle in places where there is already a community of the same nationality, and doing so, they promote ethnic employment. "The setting of a group of migrants from the same location in a specific geographical region in a foreign country tends to attract his fellow citizens to the same place" (Trindade, 1976: 984).

With regard to the obstacles that Portuguese immigrant entrepreneurs in London felt in the constitution of their businesses, most of the items have an average below 1.5. The only ones that seem to have some relevance are "entrepreneurial skills", with 1.08; "flexibility and adaptability", with 1.22; and "limited access to social and business services", with 1.20.

The most frequent reasons given as a reason for emigration were "searching for better living conditions" and the "existence of family members in the destination country". The prospects of getting a job and the existence of a support network represent the initial aspirations of these emigrants, which confirms the notion of an economic emigration.

These facts together help supporting the theory of migratory networks, which states that once started, they are able to sustain themselves on their own.

Although returning to Portugal is seen as a possibility for a significant proportion of respondents, its materialization is postponed to a more or less distant future or even only after their retirement.

Indeed, of the 30 respondents that intend to return, 14 mentioned their retirement as the time for doing so. Indeed, being an emigrant is to have the heart divided: one half at the home country, in the streets where they played as a child, the school, family and friends; the other half at the host country, their professional career, a new culture and a new life.

It becomes necessary an intervention of territorialized policies, with the inclusion of information about what has been and is being done in other geographical areas, aiming at the economic and social progress of Portugal. These policies should aim at the implementation, enrichment and improving of the internal structures, in order to attract new activities able to create employment and, as a consequence, maintaining population and promoting the return/integration of Portuguese emigrants.

Study Limitations and Future Research

Like all studies, this research presents some limitations. The sample is small due to logistical difficulties and the unwillingness of many immigrants in talking about themselves, whether by shyness or by disinterest, despite the researchers' efforts to collect as much information as possible. The sample is valid, nonetheless, answering to our initial goals.

Although our findings are supported by the scientific methods used and by the theoretical principles presented in the literature review, the applicability of this work to other geographic areas is conditioned to the presence of a set of identical circumstances to the specific context under study. As such, more studies of this type should be applied to other countries, in order to allow the achievement of comparative studies, thus contributing to the knowledge of new dimensions under the Portuguese Immigrant Entrepreneurship in Europe.

Future research work should raise the following questions, among others:

1. How did the Portuguese emigrant entrepreneurs achieve business success in their host country and when they attempt to invest in Portugal they have to face so many obstacles?
2. What is their real contribution to the economic development of Portugal?
3. How to stimulate and encourage their investment in Portugal?

All the research produced so far, most of it focusing on emigration in general and not so much on entrepreneurship *per se*, justifies the creation in the coming years of a research agenda on the *status quo* of the new emigration movements. We highlight three paths to be explored:

1. Migration, mobility or circulation?
2. Business practices standards, in order to determine the importance of transnational ties;
3. Extending the study of Portuguese emigrant entrepreneurship to other European countries, in order to obtain a deeper understanding of the entrepreneurship structure in different countries and provide information on the distinctive aspects in each host country.

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KEY TERMS AND DEFINITIONS

Development: Progress that seeks to meet the needs of the present population without jeopardizing the future of coming generations.

Economics: Science that deals with the production, distribution and consumption of the wealth of a nation. Ability to administer assets or income.

Emigration: Group of people leaving their country or region to settle in another one.

Entrepreneurship: Attitude of whom, on his own initiative, performs actions or idealizes new methods in order to develop and streamline services, products or any activity of organization and administration.

Innovation: To renew; to invent; to create.

Obstacles: Everything that stops or impedes; hindrance; impediment.

ENDNOTE

- ¹ For this analysis several nonparametric tests were applied, in order to try to find some influential factors on the observed ratings. However, due to a large concentration of responses at the bottom of the scale and other denominators, no significant results were found.