

## Chapter 47

# Examining the Impact of Symbolic Capital in Ethnic and Diaspora Entrepreneurship

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### ABSTRACT

*This chapter aims to advance a structure for understanding the dimensions in ethnic/diaspora entrepreneurship growth and development. Factors influencing the effective development and growth of ethnic enterprises are multidimensional; including capital, strategies, cultural and religious differences, economic situation, and the opportunity structures in the host country. The chapter employs divergent concepts to explain ethnic/immigrants' artefacts', acquired experience, and enterprise process to provide valuable insights to their businesses growth trajectories and susceptibility to failure crises. The paper logically progresses through series of theoretical arguments/supporting reasoning to develop an integrated model; theorizing that exogenous factors are critical drivers of diaspora entrepreneurs' economic growth and socio-political inclusiveness/embeddedness. The integrated model is situated in and developed by recognising patterns of relationships among constructs within and across fields and their underlying valid arguments.*

### INTRODUCTION

Rising migration of peoples from the poor South to the rich North of the globe is one of the effects of globalization. This migratory trope implicates and manifests in many forms and abstractions; receiving significant scholarly attention from diverse fields. Consequently, tons of ink has been depleted arguing themes (e.g. assimilation, integration, segregation, multiculturalism, etc.) in and around the absorption of immigrants in the host society. To date, no comprehensive theory/model has been advanced to explicate the diffusion and absorption of immigrants. But of interest to this chapter is the pathway to understanding immigrants' socio-economic embeddedness in the mainstream of the host society.

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The paper's objective is to offer a model that explains the conditions under which ethnic immigrants' embeddedness, as indicated through visible entrenchment of their cultural artefacts (including businesses) in the host countries' socio-economic networks, is likely to flourish or fail. The model integrates symbolic capital (Bourdieu, 1993), which is a form of a non-financial resource of the entrepreneurial capital base, and ethnic network theories to assert that the global image and representation of immigrants' homeland have a significant influence on their entrepreneurship in the host country. These image and imagery conditions also drive immigrants' cultural artefacts toward structural embeddedness that enables the host society to embrace or reject those artefacts. Research on image abound in the literature spanning many fields (e.g. Marketing, Tourism, Politics, etc.), however, the linkage between symbolic capital and immigrants' socio-economic embeddedness is not as pronounced.

Essentially, the chapter suggests that symbolic capital has a role to play in the breakout process of immigrants/ethnic/diaspora entrepreneurship, implying that the allure and prestige associated with immigrants' country of origin may shape the attractiveness of their products, services, and customs in the host country. In a nutshell, the interconnections between entrepreneurial practices, the broader society, cultural images of entrepreneurs (Essers & Benschop, 2007), together with socio-political global events are inductively analysed to offer fresh insight into ethnic/diaspora entrepreneurship in the Western world. The effect of global exogenous factors on outcomes of ethnic/diaspora entrepreneurship has been largely ignored. This research gap is of interest because the effect of the global events on economic activities can be redeployed in the study of social relations. Hence, this paper links concepts such as soft power, brand state, multiculturalism, symbolic capital, and breakout/crossover from diverse fields in theorizing the differential embeddedness of ethnic/diaspora entrepreneurship and cultural incorporation.

It is hoped that some contributions to the understanding of the causal link between symbolic capital and ethnic/diaspora entrepreneurship will be achieved by interrogating the extent at which symbolic capital shapes and influences the outcomes of ethnic/diaspora enterprises. This will also help to unveil interesting insights into the 'breakout' process of ethnic/diaspora entrepreneurship and possibly identify linkage of exogenous factors (e.g. brand state and liability of foreignness) to successful diffusion/breakout argument. This contribution is germane because existing models have paid insufficient attention to how the international perception of the country of origin and globalization impact on the opportunity structure of ethnic/diaspora entrepreneurship. This is crucial especially as the literature of ethnic entrepreneurship emphasizes that expansion beyond the ethnic community must occur to fully exploit economic potentials (Basu, 2011). In the absence of such expansion, the size of ethnic businesses is restricted by the size and wealth of their consumer base (Ram and Jones, 1998). Thus, this study borrows from multiple fields to expound the chapter objectives. Research in the field of marketing has come up with concepts such as brand state (Anholt, 2006), and liability of foreignness (Kindleberger, 1969). The field of politics provides the concepts of power: soft power (Nye, 2004), economic, political and cultural power (Giddens, 2001). While ubiquitous globalization concept is largely taken from the field of economics. The study attempts to broaden the scope of each of these fields by highlighting the interconnections between their concepts and thematic priorities as well as their fit with more general theoretical propositions.

Hence, with the help of spatial semiotics, described as "the study of culture which links symbols to objects" (Gottdiener, 1994, pp. 15-16), the chapter utilizes the perspective of ethnic artefacts/business in the UK as an exemplar to focus the arguments and interpret the complexity therein. This is because of the belief that not enough was known about ethnic/diaspora entrepreneurs' country of origin's symbolic capital to develop testable hypotheses. The theoretical discussions are not limited to the implications of the

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