

Chapter 6

Understanding Transnational Diaspora Entrepreneurship and the Role of Values

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ABSTRACT

Transnational diaspora entrepreneurship and its role linking two or more countries and generating business receive increasing attention. Diaspora entrepreneurs act often as pioneers and change agents bringing new ideas, products and services with them. In the context of ethnic enclaves, ethnic entrepreneurs face a different situation than those who target the mainstream economy and need to tackle with the value differences and challenges created by such cultural dimensions. Moreover, the development path in a transnational setting sets its own dynamics on the business development, but the value employment remains unknown. Whose values are in use and how these values are implemented? This longitudinal case study focuses on one Cypriot-Finnish entrepreneurial firm, which evolves from a start-up to a major player in the Finnish food business in imports of ethnic food products. The analysis examines values and cultural dimensions and contributes to better understanding on the transnational diaspora entrepreneurship, its dynamics and adopted philosophy on values-in-use across generations.

INTRODUCTION

Studies on transnational entrepreneurship have focused on the dyadic country context, the respective interplay and the specific characteristics of this business setting (e.g. Drori, Honig & Ginsberg, 2006; Drori, Honig & Wright, 2009; Carmichael, Drori & Honig, 2010). In a similar vein, literature on transnational diaspora entrepreneurship and international business has presented particularities of the diaspora and its effects. The effects relate to diasporic cultural competencies, abilities to act in various contexts, and roles as conduits connecting business markets (Riddle, Hrivnak & Nielsen, 2010; Brinkerhoff, 2009). Transnational diaspora entrepreneurs may also act as innovators and assist in diffusing advancements and novel business concepts (Elo, Harima & Freiling, 2015). Transnational diasporas play a role

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in supporting the development of their countries of origin (COOs) via remittances and as investors and institutional change agents (Vaaler, 2013; Riddle, 2008; Riddle & Brinkerhoff, 2011). They also play a meaningful role as employers; for example, in Germany, these companies employ more people than do non-diasporic enterprises (Metzger, 2014). Transnational diasporans, their entrepreneurship and their networks are an increasingly important stream of research that is improving the understanding of their meaning for contemporary society and the economy, not just in ethnic enclaves but internationally (e.g. Elo, 2015; Carmichael, Drori & Honig, 2010; Chung & Tung, 2013; Drori et al., 2006, 2009; Light & Gold, 2000; Menzies, 2000; Ojo, 2012). In short, the extant knowledge illustrates capabilities and a multitude of positive activities and societal roles distinct to the transnational diaspora. However, the entrepreneurial and societal roles of transnational diaspora entrepreneurs are often intertwined and blurred; for example, their roles as sponsors and role models go beyond business (Elo & Jokela, 2014). As a result, the discussion on these roles is mainly without a clear-cut conceptualization, in contrast to concepts like social entrepreneurship (e.g. Elo & Jokela, 2014; Jokela & Elo, 2015). Additionally, the setting of transnational diaspora and its evolution representing the entrepreneurial context require particular attention.

Successful transnational diaspora entrepreneurs are highly respected members of their communities and society. They are associated with heroic notions of entrepreneurship and are upheld as role models (Elo & Jokela, 2014). Diasporic involvement may also enhance business model development and social entrepreneurship (Brinkerhoff, 2009; Jokela & Elo, 2015). On the other hand, transnational diasporans are also active in irregular business activities and organized crime (Gillespie & McBride, 2013). Moreover, transnational diasporans are often subjected to socio-cultural pressures and suffer from limited chances to make decisions and develop their livelihood (Elo & Juntunen, 2015; Ali, Taqi & Krishnan, 1997). Therefore, there is an inherent dichotomy of “good and bad” values in diasporic business, creating a distinction between legitimate and illegitimate diaspora entrepreneurship and business.

Despite the emerging interest, there is very little understanding of the values guiding transnational diaspora entrepreneurs and their firms and where these values actually stem from (cf. Heinonen, 2010; Bolton & Thomson, 2004; see also Vertovec, 1999). Cultural, social and religious constellations, which may vary significantly from the home country and the host country, are a logical source of value discrepancies (cf. Brinkerhoff, 2009; Dana, 2009; Urbano, Toledano & Ribeiro-Soriano, 2011). Values and value discrepancies are heavily discussed in the context of the integration process. The dynamisms related to “good” values include both fostering and constraining, for example, through social responsibility and obligations but also through contextual social dynamics (Berry, 2001; Helkama, Myllyniemi & Liebkind, 2007; Granovetter, 1985; Jokela & Elo, 2015) and time-related dynamics (cf. Dana & Ramadani, 2015). As Hofstede (2011) notes, there are six cultural and value-related dimensions that influence behaviour. Thus, this study asks the following:

- Whose values are in use—and where these values originate—when transnational diaspora entrepreneurs have built their successful businesses; and
- And how these values are implemented.

To explore the complex and intangible aspect of “values-in-use” in transnational diaspora entrepreneurship, a qualitative in-depth case study has been conducted (Heinonen, 2010). This longitudinal single case study (e.g. Alasuutari, 1995; Stake, 1995; Eisenhardt, 1989) analyses a transnational diaspora enterprise located in Finland. The firm is active in trade and the food business. The company founder

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