

Deepening the Liaison: Mixed Embeddedness and Economic Sociology

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Abstract

Mixed Embeddedness is a consolidated approach to investigate entrepreneurial migrant minorities that has informed numerous empirical studies. This paper takes a theoretical perspective, establishing a dialog with the major traditions of economic sociology to extend this approach in two directions: i) it adds a micro-level theory of action to permit closer scrutiny of the mechanisms that generate migrant entrepreneurship; and ii) it considers the normative and cultural aspects of embeddedness from a neo-institutionalist standpoint in order to gain a more complete understanding of the processes whereby migrant enterprises take a particular shape once they have been set up, and the spatial patterns they assume.

Keywords: mixed embeddedness; migrant entrepreneurship; economy; institutions; social networks.

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1 Migrant Entrepreneurship: An Empty Promise?

Mixed Embeddedness (hereinafter ME) is an approach for analyzing migrant entrepreneurship proposed by Kloosterman and Rath (2001) which enjoyed great success in the literature. The idea we will develop in this paper is that this success was well deserved, and that ME, nearly two decades on, still has great heuristic potential. We will also discuss certain of ME's shortcomings: i) it doesn't provide a way of working with the "nuts and bolts" of migrant entrepreneurship's generative mechanisms; ii) it frames a multidimensional vision of embeddedness, yet neglects cultural and normative aspects.¹ These (relative) failings can be overcome if ME forges a stronger alliance with economic sociology: an operation that would make it possible to benefit from concepts irrespective of their origins (Granovetter, 2017; Portes, 1995). Portes has already emphasized that migration studies and economic sociology naturally converge in view of the "postulate of socially oriented economic action", calling for their integration (Portes, 1995, pp. 2–4). In taking up this invitation, we will outline and clarify the links between ME and theoretical approaches taken by economic sociology. In this way, we aim to increase ME's ductility, making it fully applicable to the decisive stages in migrant entrepreneurship: its emergence, and its spread.

Briefly stated, studies of migrant entrepreneurship originate in the attempt to find empirically grounded answers to a puzzle: an anomaly that upends our expectations of the world, as it is counter-intuitive and at odds with corroborated theories. Specifically, the enigma is that in many historically wealthy industrialized countries, migrants are more likely than the native-born to become entrepreneurs. According to International Migration Outlook data (OECD, 2016 & 2012), this is true of the United States, Canada, Australia, the United Kingdom, France, Belgium, most Northern European countries, much of Eastern Europe, and is fast becoming the case in Germany and the Netherlands.

Migrant entrepreneurship was one of the major drivers of the *nouvelle vague* of studies of entrepreneurial phenomena that began in the 1980s: the crisis of Fordism had given the lie to the heralded demise of small and micro-enterprises, which would supposedly have been crushed by large vertically integrated firms. In the upshot, however, outsourcing and offshoring opened up new opportunities for entrepreneurial action (Swedberg, 2000). These opportunities, moreover, coincided with a newly optimistic narrative that announced a future that puts a premium on workers' initiative and self-determination. The underground river of entrepreneurship thus burst forth anew, bringing with it figures far removed from the bygone "captains of industry", prototypical entrepreneurs of the Fordist golden age. Among these figures, migrants and their entrepreneurial trajectories took a rightful place.

These empirically well-established trends sparked a response in the scientific debate, particularly within economic sociology and economics. This, together with the impetus provided by the attention showered on migrant entrepreneurship, led to hopes that it would soon be possible to fill one of the "structural holes" of economics and sociological inquiries: the entrepreneurial phenomenon *per se* (Swedberg, 2007). Years later, we can say that this structural hole still remains relatively open: the hoped-for integration with economic sociology never fully materialized. Essentially, it is common practice to investigate migrant entrepreneurship using concepts of economic sociology, but too little has been done to build bridges linking it with thinking about entrepreneurship *per se* and with the theoretical insights of economic sociology in general. In this connection, some scholars speak of the "fallacy of ethnic exceptionalism" (Jones, Ram & Villares, 2017), a tendency to reify the "genre" of ethnic entrepreneurship.

This paper will thus attempt to deepen dialog between migrant entrepreneurship and the theoretical perspectives of economic sociology. We will strive to demonstrate that, by integrating these two spheres, we can construct: i) models that cut across individual studies; and ii) micro-founded explanations of the causal mechanisms that generate migrant entrepreneurship and the forces that mold it into specific shapes. In doing so, we will follow the route suggested by ME, which — more than any other approach to migrant entrepreneurship — can provide linkages with economic sociology that have not yet been

1. Accordingly, we will employ the concept of embeddedness in the broadest sense, taking it "to mean the intersection of economic with noneconomic aspects of society, including not only social networks and their consequences but also cultural, political, religious, and broadly institutional influences" (Granovetter, 2017, p. 15). Analyzing the intersections between ME and the theoretical perspectives of economic sociology will enable us to probe the main dimensions of this concept (see section 2).

fully understood. On a small scale, in fact, ME subsumes a sort of map of economic sociology: a map that is highly effective, but also open to a number of fruitful additions.

The remainder of the paper will thus be organized as follows. Section 2 will present the ME approach and where it stands among the major theoretical domains of economic sociology. In section 3, this approach will then be extended by proposing an analysis model that links the spatial and relational dimensions of the notion of embeddedness, which is central to ME. Our suggested schema, centering on meso-level variables, has explanatory value when set against the action-formation mechanisms typical of the motives for acting on the micro level, which we will discuss in section 4. Section 5 will summarize our revised analysis model, which is both rooted in ME and introduces several innovations.

2 Placing Mixed Embeddedness in Economic Sociology

Studies of migrant entrepreneurship have basically addressed two main areas. The first deals with the supply side, focusing on the group and/or individual resources that migrants mobilize to set up an independent business. The second is based on the assumption that migrant self-employment should be observed in the light of the host societies' economic systems (Kloosterman & Rath, 2001; Kloosterman, 2010; Ambrosini, 2011).

More recent studies have overcome this distinction, emphasizing that supply side and demand side must be combined. Here, mention should be made of the notion of ME advanced by Kloosterman and Rath (2001 & 2003; for a detailed reconstruction, see the article by Barberis and Solano in this issue of *Sociologica*). ME arose from the authors' dissatisfaction with the over-schematic nature of both the supply-side oriented and the demand-side oriented visions: the former neglect to consider how migrants' economic initiative is matched with concrete market openings, while the latter risks assuming that actors are under-socialized, and merely react to a completely transparent, rationally intelligible opportunity structure (Kloosterman & Rath, 2001, pp. 189–190).

ME is thus a response to a sociological deficiency in the analysis of migrant entrepreneurship, which cannot be understood if the social dimensions that shape it are ignored. In other words, the social embeddedness of migrants' entrepreneurial action encompasses both the meso dimension and the macro dimension. The former involves the relational aspects, while the latter concerns the social systems: the operation of the markets, from the standpoint of their formal regulatory framework, as well as the endogenous economic dynamics affecting the social construction of trade, pricing, and the supply and demand for goods. Proceeding along these lines, Kloosterman and Rath combine actors and opportunity structure. As regards the actors, the lack of resources that generally affects them is emphasized, «the newcomers tend to differ in the bundle of resources (human, financial, social and cultural capital) at their disposal when compared to their indigenous counterparts» (*Ibidem*, p. 191). Despite this structural deficiency, migrant micro-entrepreneurs are frequently less risk-averse than the native-born population, as they have been forged by a life course that has exposed them to dangers and high human and emotional costs. In addition, as they have experienced different social settings, they have often gained distinctive “cognitive skills” that enable them to spot micro-opportunities arising in the markets. Often, then, migrant entrepreneurs are everyday innovators — the Schumpeterian entrepreneur writ small — who can meet established demand and needs with new products.

The most important contribution that Kloosterman and Rath make, however, is at the macro level. Here, attention focuses on specific markets, which have held out new opportunities for small and micro enterprises to emerge, because of the fragmentation of demand, the segmentation of production in the manufacturing sector, and the expansion of the service sector (e.g., in such areas as child-care, housecleaning, catering, etc.). Given these trends, two factors make a market attractive for aspiring entrepreneurs: its accessibility and its growth potential. The analysis culminates by identifying three levels of the opportunity structure: i) the *national* level i.e., central political institutions that shape the trajectories of the post-industrial economies, setting the boundaries between state, market and family; ii) the *regional/urban* level, where spatially localized economies and systems of development arise, with clusters, industrial districts and specialized types of production that increase the opportunities certain regions offer for doing business in specific sectors. These dynamics can also take place at the urban level, chiefly in global cities, which generate distinct opportunities for enterprise; iii) the *neighborhood* level,

where localized concentrations of the migrant population can constitute natural markets — at least at the start-up stage — for the businesses run by migrants.

We will now broaden the analysis's focus, turning to ME's position in the wider arena of sociology. We argue that ME shares a particularly close family resemblance — as Wittgenstein would say — with economic sociology. In recent decades, the latter has grown apace, producing solid explanations for a wide range of economic issues with analytical models generated by three main perspectives: political economy (hereunder PE), New Economic Sociology (NES) and Neo-Institutionalism (NI). The first of these traditions chiefly addresses the role that certain typical and socially recognized collective actors have in the political regulation of the economy, or in other words, in setting the rules of the economic game. The second centers on economic action — seen as a form of social action — and its embeddedness in social networks. The third concentrates on the process whereby economic phenomena are structured in institutional settings consisting of formal and social rules, normative orientations and shared beliefs and convictions.

Long cultivated in relatively separate academic and scientific circles, the three perspectives have in recent years begun to overlap in several respects. They are indeed different branches springing from the same root: the link between institutions and the economy, which have an “intimate and complex relationship” (Brinton & Nee, 1998).² How can this relationship be modeled?

The answer depends on the concept of institution we employ. Economic sociology's three perspectives are (implicitly) informed by different visions of the notion. Each of them has its own way of interpenetrating spheres of the economy and institutions (Duina, 2011).

PE considers the formal institutions, or in other words those manifested as systems and organizations, and which are called upon to give shape to the economy through substantive regulation. NI, on the other hand, employs a broader definition of institution, at a higher level of abstraction: institutions are seen as models of behavior that carry normative weight, thought patterns, rules of meaning, routines that shape economic action. They guide actors' aims, the means judged to be legitimate in reaching them, the ways considered appropriate to achieve them.³ NES, for its part, proposes a structure and relational vision of institutions (Swedberg, 2007): they are the crystallization of typical structural configurations (as regards morphology, the nature of the nodes, the type and density of ties) which influence the normative constraints and bonds of trust, opportunism, and cooperation between actors, thus giving rise to different attitudes to economic action (Granovetter, 2017; Burt, 2000).⁴ Accordingly, NES holds that it is important to examine networks' specific “topology”, since the structure of social interaction is crucial to explaining emerging economic effects (Stark, 2009; Hedström, 2005).

It is clear at that this point that ME is consistent with the underlying spirit of economic sociology. Basically, the idea of mixed embeddedness is that migrant entrepreneurship is socio-institutionally embedded in two ways: in the relational networks (structural embeddedness) and in the formal opportunity structure (political and regulatory embeddedness). On a small scale, then, ME mirrors the main lines of analysis used by PE and NES (see fig. 1). In doing so, it incorporates two out of the three levels of analysis that are pertinent to explaining economic phenomena (Granovetter, 2002 & 2017), namely, the meso-level of economic outcomes, and the macro-level of economic institutions. It proposes two

2. Essentially, this is the aspect that sets the economic sciences' institutional analysis apart from economic sociology. While the latter regards the economy and institutions as inextricably interrelated, economists see institutions as emerging downstream, in order to offset the dilemmas arising from information asymmetries, excesses of risk and uncertainties, and market failures. For economics, then, “Institutions are tools, conduits, and means. They are created to fulfill a function. They are subordinate to something else and do not enjoy an independent existence” (Duina, 2011, pp. 13–14). For sociology, by contrast, institutions are the context in which economic life takes place, and are not heuristically or ontologically subordinated to the economy in any way (Granovetter, 2002).

3. There is a clear difference between sociological neo-institutionalism and economic neo-institutionalism. For the latter, institutions are almost exclusively carriers of the regulatory rules, or in other words define the structure of the substantive incentives, the concrete constraints and opportunities that influence the economy's performance. Sociological neo-institutionalism expands the boundaries of the institutional sphere by adding a further dimension, that of the constitutive rules: the social norms that direct economic action according to criteria of appropriateness (Barbera & Negri, 2008, p. 66; North, 1990).

4. Possible examples include star networks, where the node with the largest number of ties is superordinate, in substance or formally. Another well-known configuration is that of triads, where one actor-node provides brokerage because it has an exclusive tie with the other two nodes, which at least temporarily are not connected with each other (Burt, 2000).

yardsticks for gauging the operation and potential accessibility of specific markets, the economic institution par excellence. In addition, it postulates multiple territorial levels at which political regulation and emerging market openings in local settings shape economic outcomes. The combined effect of these two components impacts on migrant entrepreneurship, either encouraging it or holding it back, and orienting it towards specific sectors.

Perspectives of Economic Sociology	Intersection between the economy and institutions	Unit and level of analysis	Economic outcomes
PE	Regulatory and political embeddedness	Institutional collective actors; Processes of regulating and negotiating interests.	Models of capitalism; Opportunity structure and structure of substantive and formal incentives.
NES	Structural embeddedness	Individual and collective economic actors (entrepreneurs, enterprises); Relational network and ties.	Formation and circulation of trust; Processes of opportunism and/or cooperation.
NI	Cultural and normative embeddedness	Cluster of norms regulating economic life; Population of individual or collective economic actors.	Formation of organizational fields; Processes of isomorphism.
ME	Regulatory and political embeddedness; Structural embeddedness	Regulatory processes (barriers to market access); Market structure and tendencies (i.e., accessibility; growth or shrinkage).	Opportunity structure and emergence of migrant entrepreneurship; Concentration of migrant enterprises in specific sectors.

Fig. 1: Mixed Embeddedness (ME) in the Light of the Main Perspectives of Economic Sociology

There are two aspects, however, where ME fails to shed light. The first concerns processes of economic action, i.e., migrant entrepreneurship’s micro-scale generative mechanisms. This failing is probably due to the fact that ME lacks a theory of action. Including such a theory could extend ME’s scope, and its ability to produce dynamic analysis models that take advantage of its distinctive multi-level character. The second failing is that ME does not employ NI’s analytical framework, which could be advantageous in understanding how migrant entrepreneurship emerges, and how it spreads and takes root in specific forms. Investigations of migrant entrepreneurship could benefit from applying the cardinal theses of NI, whereby economic actions and interests are regulated by formal/informal institutions that offer incentives or impose sanctions, by social devices that make certain types of exchange and investment appropriate, and by the fabric of normative and constitutive rules in force in an institutional area intrinsic to economic life (see fig. 2).

In the following sections, we will suggest additions to the ME approach to make up for these failings. Links with the perspectives of economic sociology will be further explored; the many faces of embeddedness (structural, cognitive, cultural and political) will be considered together, combining the relational dimension with that of institutions both formal and informal (Verver & Koning, 2017; Granovetter, 2005; Powell & DiMaggio, 1983). The goal is to propose an analysis model that can be applied to two major issues of migrant entrepreneurship that ME does not bring into focus: i) the forms that migrant entrepreneurship can take, once it has come into being; and ii) the micro-foundation of the mechanisms that cause it to emerge.

The concept of embeddedness will be central to our pursuit of the first objective, where considering its multiple dimensions will enable us to develop a typology of production systems with a high concentration of migrant enterprises. In pursuing the second objective, it will be essential to direct our attention to the origin of economic action (specifically, entrepreneurial action): a hermeneutic moment leading to an understanding of the action’s meaning.

Intersection between the economy and institutions	Unit and level of analysis	Empirical phenomena
Cultural and normative embeddedness	Population of migrant enterprises	Formation of production systems with a high proportion of migrant enterprises (Spatial and relational embeddedness)
	Action-formation mechanisms	Micro-foundation of migrant entrepreneurship Institutionalization of migrant entrepreneurship (types of isomorphism)

Fig. 2: Additions to the Mixed Embeddedness Framework

3 Refreshing the Study: Spatial and Relational Embeddedness

In a well-known paper, Uzzi explicates the devices whereby embeddedness shapes economic outcomes (1997). Embeddedness is seen as a presupposition: all economic phenomena are embedded, and what makes the difference at the empirical level is the different degree of embeddedness with respect to the structural features of the concept (i.e., the crucial relevance of social network in shaping economic outcomes). Consequently, concrete cases lie along a continuum, with *over-embeddedness* (when transactions are firmly rooted in social ties) at one pole, and *under-embeddedness* (when market transactions prevail, and there is little involvement of relational mechanisms) at the other (Uzzi, 1996). This conceptual distinction will be the basis for the first axis of the typology (Barberis, 2008). More precisely, what will be central is the level of embeddedness in a hypothetical migrant group of the economic actions carried out by that group's members, an aspect of the different ways in which their networks operate. Uzzi's highly flexible approach provides an effective means of completing the analysis offered by ME, which already considers the benefits and constraints that social networks, by virtue of their formal structure, hold for migrant businesspeople. As the focus of the analysis is within the migrant group, we do not consider the out-groups' social networks and how they intersect with those of the migrants (for a discussion of these aspects, see Barberis, 2008 & 2014).

We will then consider one of the relevant questions in current literature about migratory processes: transnationalism. This concept has recently achieved paradigmatic status in the analysis of migratory phenomena, though some analytical and empirical gaps remain (Solano, 2015 & 2016). Though the details of this debate are beyond our scope here, it should be noted that transnationalism involves heterogeneous activities, with economic, political and socio-cultural aspects (Boccagni, 2012). Here, we will limit ourselves to the economic dimension, whose most obvious manifestations are entrepreneurial activities that transcend national boundaries (Bagwell, 2018; Rusinovic, 2008; Jones, Ram & Theodorakopoulos, 2010). It is thus important to determine whether a given group of entrepreneurs gives rise to an economy that cannot be confined within a circumscribed space, or whether it does business in a limited spatial setting (Werbner, 2001). In this connection, ME assumes a classic premise about how geographic proximity encourages the formation of network structures that can be applied to entrepreneurial action (e.g., by reducing uncertainty, helping information circulate, providing outlets for products). However, ME is silent as to whether this concentration of local ties can then lead to the formation of ties at a distance, which are important if economic action is to continue further (Bagwell, 2018). To explore this specific aspect, we will take the alternatives between local economy and non-local economy as the second dimension of the typology.

Combining these two axes generates four types of production system based on micro-immigrant

enterprises, each with a different relational density and articulation in space, and a hybrid case at the center of the framework (see fig. 3).

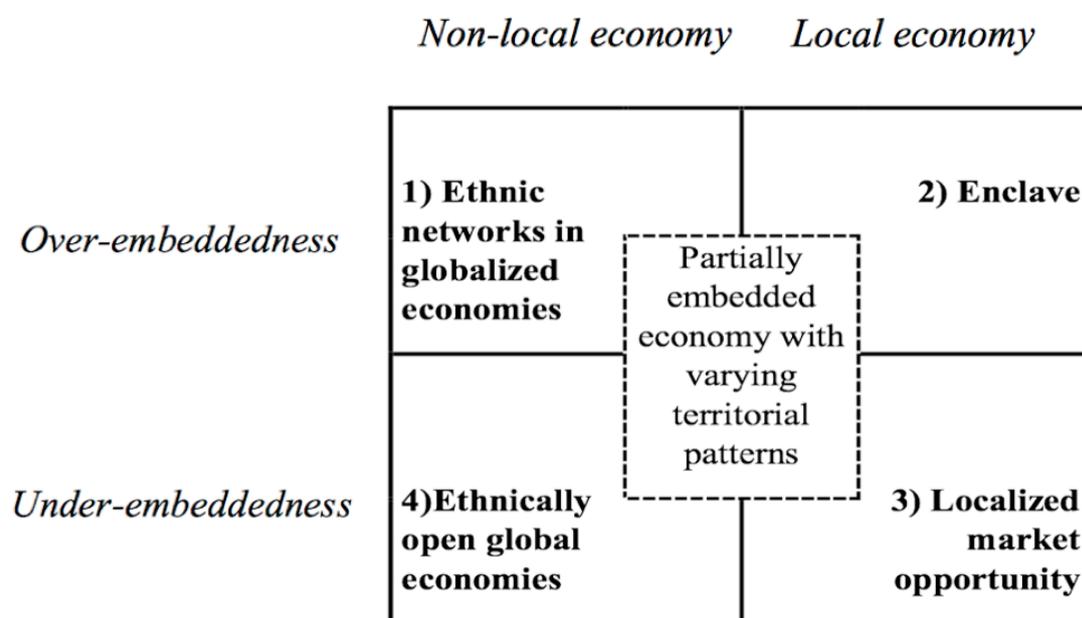


Fig. 3: Migrant Entrepreneur Economies

Quadrant 1) represents the combination of over-embeddedness and non-local economy, and contains the so-called ethnic networks operating in transnational economies. This is the case of migrant groups who run businesses whose production chain involves operations carried out at a distance, in different countries that do not necessarily border each other (Barrett, Jones & McEvoy, 1996, p. 798). One example is the Jewish minorities who are active in international trade in niche products such as precious stones. Several cross-border commercial links for handicrafts provide another example of this configuration: a number of trade routes of this kind have been activated by migrants from North Africa who have settled chiefly in the European countries around the Mediterranean basin (Peraldi, 2002). Such a case is described in Solano's study of Moroccan entrepreneurs in the northern Italian city of Milan, who do business with several countries simultaneously, in addition to their countries of immigration and origin (Solano, 2016, p. 192). This quadrant's constitutive features can be found in many cases involving "diaspora entrepreneurs" (Riddle & Brinkerhoff, 2011).

Quadrant 2) represents a high degree of embeddedness in a local production system, typical of enclave economies. In these cases, migrant entrepreneurs are active in a circumscribed territory where they look for customers and employees, at most receiving the products they offer from abroad. These products often have ethnic connotations, and the market for them consists chiefly of co-ethnics. Other characteristics of this configuration include: i) dense networks in which the economic transactions are embedded, making it possible to employ co-ethnics at low wages and build enforceable trust with customers and suppliers, thus reducing transaction costs; ii) a wide acceptance of shared value orientations and normative constraints, generating bounded solidarity (Zukin & DiMaggio, 1990).⁵ A noteworthy example of such a situation is that of the Cuban exiles in Miami (Portes & Jensen, 1989; Portes & Stepick, 1985). Min (1993) also provides a typical example of an enclave, i.e., Los Angeles' Koreatown, where the

5. The enclave economy comes close to the configuration that Barberis calls the ethnic niche on the open market, when there is a highly embedded migrant group and a fragmented native-born group. Such a situation assists the penetration of a foreign minority in a particular "local socio-economic fabric with high levels of social closure and impermeability to outside contacts" (Barberis, 2008, p. 83).

vast majority of the Korean businesses supply Korean foods, groceries and books to customers who are chiefly of the same origin.

Quadrant 3) features under-embeddedness and an economy confined to the local level, which corresponds to situations with openings on the local market. In these cases, a typical *vacancy-chain process*, and a substitution effect, create holes that can be occupied by migrant entrepreneurs. The latter have limited ties and engage in transactions with a low degree of embeddedness in relations with co-ethnics. These are often low human capital, low added-value sectors, left open by native-born entrepreneurs: for example, the construction industry or business services (cleaning, freight transport). This type also includes migrant entrepreneurs who offer exotic products, i.e., products with an ethnic connotation, but among natives, and thus in a localized but open market (Waldinger, 2000).

Quadrant 4) contains ethnically open global economies, which — by definition — are not restricted to the local level and have a low degree of relational intensity between co-ethnics: the ties are chiefly weak, and the networks have structural holes. Migrant entrepreneurs operating in these networks have social capital resources with few ethnic connotations, and little orientation towards norms of reciprocity resulting from membership in a particular migrant group. One example consists of the careers leading to self-employment of migrants in highly internationalized hi-tech clusters based on long economic networks: this is the case of the computer engineers (chiefly Indians) in the Silicon Valley (Saxenian, 1999) or of Chinese firms in German IT (Leung, 2001; Rusinovic, 2008). The most important relational resources for these actors are usually grounded in transnational professional communities: long networks held together by the fact of belonging to a work circuit, rather than a common migrant origin.

These four combinations are the extreme poles of a continuum: concrete case studies can be arranged within this typology on the basis of the extent to which they reflect the characteristics of each type. Hence the advisability of having an additional square containing hybrid situations. Here, economies extend fluidly across the territory, and there is a tension between high and low network density: entrepreneurs leverage the co-ethnic network when looking for employees and suppliers, and then do business with less mediation from the networks.

Extending the analysis, we can say that the four quadrants of the typology give rise to production systems centering on migrant enterprises that differ in their economic outcomes. Enclaves, for example, guarantee an outlet market and high barriers to access by outside competitors, but they also have limited potential for expansion, as their group of clients is small (Barrett, Jones & McEvoy, 1996). In a word, their economic performance is heavily dependent on the ethnic resources in the group (Samila & Sorensen, 2017). Relational embeddedness is equally important in the cases falling in quadrant 1), but the outlet market is potentially large, geographically speaking. For the other cases, what is important are the economic processes outside the group, which can generate favorable opportunities: low competition employment niches and demand for exotic consumer goods by native-born customers (especially in case 3); large-scale economic trends that encourage the birth of clusters that are highly interconnected at the global level (especially in case 4). In sum, the four cases arise from different combinations of actors' agency (i.e., use of human capital and social capital circulating in their networks) and the configuration of the opportunity structures available to them (i.e., the markets' accessibility, extent and spatial/territorial embeddedness).

4 A Missing Point: Micro Mechanisms

In the preceding section, we outlined the process whereby the various shapes taken by migrant entrepreneurship reflect the opportunity structure with which migrant entrepreneurs (or aspiring entrepreneurs) must interact, which ME sees as axiomatic. There is still, however, an unsolved enigma regarding the reasons that spur individuals to entrepreneurial action. We can thus join Granovetter in saying that what is needed here is a “vocabulary of individual motives” that can make the emergence of the phenomenon intelligible (Granovetter, 2017, p. 20).

From this standpoint, then, migrants pursue a mixture of aims through entrepreneurial action (*Ibidem*). Some of these aims are predominantly economic, i.e., they involve obtaining material goods. Others have economic significance but are eminently social: approval or acknowledgment by the migrant's fellow countrymen and other important social groups in the host community; social status; reputation;

social visibility and recognition (Barberis, 2008 & 2014; Donatiello, 2013; Allen & Busse, 2015; Wang & Warn, 2018). It is partly because of this mixture of aims that migrant entrepreneurs prefer to channel their economic activity through social networks, as well as through the clusters of social norms and regulatory rules in the setting where they act, where all their goals (both economic and social) can be simultaneously pursued (Granovetter, 2017, p. 22).

We can also say that in this blend of economic and social aims underlying migrants' entrepreneurial action, the first category tends to prevail over the second. It is thus central, but not exclusive, a motivation which is instrumental in nature, which gives rise to behavior that can be described as the use of specific means to gain specific ends. Nevertheless, migrants who devote considerable time to economic pursuits, seeking to establish themselves as entrepreneurs, can hardly be expected to segregate them from the non-economic needs that shape their social identity. Migrants' entrepreneurial action is «affected by commitments — shared conceptions of what is proper, just and fair, that transcend the pure pursuit of individual interests» (Granovetter, 2017, p. 22).

The challenge then is to explain how these heterogeneous goals are mixed, and in what measure. It would be improvident to suggest that any one of these aspects has causal priority: the answers are partial and flexible, understandable only from empirical investigation, through a pragmatist epistemology (*Ibidem*).

For this purpose, we believe it advisable to adopt a complex version of the DBO (Desires, Beliefs, Opportunities) model, which provides a good theory of action, particularly for the forward-looking actors (Hedström, 2005). Additionally, the DBO model is at the basis of identifying the micro-determinants of action, between individual action and social interaction, and thus lends itself to bridging the gulf discussed by Granovetter between under- and over-socialized explanations of action.

Essentially, the DBO model affirms that: «the cause of an action is a constellation of desires, beliefs and opportunities in the light of which the action appears reasonable» (Hedström, 2005, p. 39). One of the major strengths of the model is that its three pillars are not separate and independent, but influence each other. In this connection, Elster made a seminal contribution in identifying distinct patterns of interaction between beliefs and desires (1989). In the typical case of adaptive preference formation, actors prefer the options that are in fact feasible, since those that cannot be achieved are believed to be less desirable: the “sour grapes” syndrome. Counterintuitively, many of the concrete entrepreneurial choices migrants make could hinge on such a dynamic: where the labor market is perceived to be hostile and discriminatory, there will be a growing belief — true or not — that becoming an entrepreneur, though risky, is the only feasible way of achieving upward social mobility. Some of the more determined and strong-willed migrants may “over-adapt” to this belief (Gambetta, 1987). Obviously, we must not regard this as a law of tendency: the DBO model is sufficiently ductile to contemplate alternative combinations of Desires and Beliefs, any of which can lead to the emergence of migrant enterprises.

As indicated earlier, the DBO model's unit of analysis is the social actor operating in structures of interdependence (the social networks). Accordingly, the model holds that Desires and Beliefs also arise from interactions between actors, rather than arising only in the individual sphere. The dimension of interaction is essential for our purposes, given that — as we have seen — entrepreneurial action emerges from combinations of economic and social motives. In more explicit terms, whatever is done by the others in my relational network then feeds back on my structure of Desires and Beliefs, shaping it accordingly. In the same way, how I act has an impact on the others' structure of Desires and Beliefs. In this connection, we suggest that there are three main interaction patterns or mechanisms whose effects on Desires and Beliefs are important to becoming an entrepreneur in specific migrant groups:

[The first type of mechanism] dissonance-driven desire formation, is a case where the actions of others lead to a change in the focal actor's desires and thereby to a change in his/her actions [...]. [The second mechanism], rational-imitation, is the case where one actor's action influences the beliefs and subsequent actions of others [...]. [The third mechanism], the “Old Regime” pattern, is a sequential concatenation of rational-imitation and dissonance-driven desire formation mechanisms ($D^i \rightarrow A_i \rightarrow B_j \rightarrow A_j \rightarrow D_i \rightarrow A_i$ where $D^i \neq D_i$). For opportunistic reasons one actor decides to do something (s)he does not genuinely desire. The action is observed by others and the rational-imitation mechanism makes them follow suit. Eventually this feeds back on the first actor: The

actions of others produce dissonance and a change in the desires of the first actor which makes him or her genuinely desire what (s)he initially only pretended to do (Hedström, 2005, p. 43).

We thus have strictly imitative mechanisms, but also more subtle processes. Such a process occurs, for instance, when a small clique of pioneers moves into a particular self-employment niche and, though they begin with little advance planning and are motivated by desires that are less than absolutely compelling, nevertheless succeed. Only then do they gain their peer group's approval and develop a genuine desire, becoming an example for others. In other situations, the desire for self-employment may develop as an adaptive response to changes in the migratory project that are beyond one's control — for example, there may no longer be any chance of returning to the homeland, attempts to get a job have failed, and it is thus necessary to find a new route to social and economic wellbeing.

The three patterns we have outlined, though differing in certain details, all point to the importance of migrants' networks. Almost invariably — given the bonding and specialized nature of migrants' social capital resources — these networks are the backbone of migrants' (principal) reference group. They are thus: i) an important setting for forming social identity; ii) a source of criteria for assessing social action and principles for justifying it to others (Barbera & Negri, 2014; Boltanski & Thévenot, 2006); iii) arenas where processes of recognition take place and in which conventions/convictions concerning how best to reap economic benefits from the migratory experience are spread. Given these latter considerations, the DBO model, if set in conjunction with the actors' dynamics of interaction and structures of interdependence, can also assist in investigating the normative guidelines and cognitive frameworks that migrants derive from their relational circuits. These are aspects that shape economic action just as much as purely instrumental and individual motives.

This schema was applied in a comparative study of two groups of Italian migrant micro-entrepreneurs who have ice cream parlors and pizzerias in Germany (Storti, 2014). Some of this study's findings will be summarized here.

As they both do business in the restaurant and hospitality sector, the two groups of entrepreneurs interact with the same formal opportunity structure: an outlet market that is potentially large, considering the high and immediate receptiveness of the local clientele, and low access barriers. Nevertheless, this second feature of the opportunity structure has different impacts on the two groups of entrepreneurs. While the entrepreneurs in the first group modify desires and beliefs adaptively, deciding to become entrepreneurs by opening a pizzeria, ice cream parlor owners match opportunities with their prior desires and beliefs, giving rise to a vocational entrepreneurship. The former have no long-term entrepreneurial planning: an unexpected interruption in the life course is the basis of their entrepreneurial turnaround. The latter, by contrast, approach self-employment gradually, since entrepreneurial plans are part of their migratory project, and their family of origin has a tradition of self-employment.

These differences are also influenced by the fact that the pizzeria owners' group is a system of cliques with few mediated interrelations. Consequently, the social capital that can be mobilized is limited to the few occasions in which one family member or close relative can help another, and is thus insufficient to provide farther-ranging support (Pizzorno, 1999). By contrast, the ice cream parlor owners can also boast interrupter ties, and can thus rely on more relational resources, including social capital in the form of both solidarity and reciprocity. In fact, their internally cohesive family groups have a high capacity for bonding with each other and intercepting external resources by means of non-redundant ties. As such, they can guarantee a good mix of endogenous solidarity and longer ties, resulting in a situation midway between individualism and unconditional altruism which promotes economic performance and cooperative action (Zukin & DiMaggio, 1990; Granovetter, 1995; Burt, 2001).

Moreover, several resources circulating in the networks shape the process of 'institutionalization' of the two populations of enterprises. The entrepreneurial action of pizzeria owners is oriented towards the local setting, which provides customers, employees, suppliers. Their entrepreneurial activity is venture-centric: pizzerias are subject to few normative and constitutive rules. Accordingly, pizzerias are a population of micro enterprises with a certain diffuse homogeneity (there is little difference from one pizzeria to another in the criteria for selecting employees, interactions with suppliers and what is on offer to customers), which arises from a process of *mimetic* isomorphism (Powell & DiMaggio, 1983). The business of ice cream parlor owners, on the other hand, is sustained by a sense of appropriateness, mu-

tual recognition and a way of doing business that they see as efficient and “right”. Convergence towards this model takes place consciously, in a process that involves “organization supervisors” and aspiring owners in learning a trade on the job, as well as at “specialized centers” (the training courses organized in Germany by the trade association, Uniteis), and which is reproduced by hiring personnel with certain specific characteristics. We can thus say that the population of ice cream parlors is also isomorphic but, unlike the pizzerias, on the basis of *normative* processes (Powell & DiMaggio, 1983).

5 Concluding Remarks: A (Modest) Schema for an (Ambitious) Research Agenda

This paper has attempted to expand the dialog between ME and economic sociology, thereby identifying two areas where ME fails: it has no theory of action, and it underestimates the components of normative/cultural embeddedness theorized by NI. The first area helps in gaining a more accurate understanding of migrant entrepreneurship’s generative mechanisms at the micro level; the second helps in exploring how a given population of migrant micro-enterprises is institutionalized: how it competes on the markets, whether it shows forms of internal cooperation, what approach it has to interacting with customers and employees. These are areas that deserve to be put at the center of the research agenda, as they have not been sufficiently addressed by orthodox studies of ME. Together, they help reconstruct the chain of variables involved in migrant entrepreneurship. Empirical research must then disentangle this chain’s individual links in order to reconstruct the mechanisms they set in motion.

Our analysis also reiterated the social nature of migrants’ entrepreneurial action: in its original motives — where we see a mixture of purely economic goals and social aims revolving around questions such as recognition, legitimation and reputation — as well as in the relational structures and dynamics that give it shape, and in the plurality of forms of embeddedness it shows. The analysis enables us to maintain that migrant entrepreneurship provides a good vantage point for investigating economic action and the relationship between social structures and the economy (Granovetter, 2017). For the same reason, we maintain that such concepts as the ethnic lens must not be used unquestioningly as the primary or exclusive analytical tool for understanding migrant entrepreneurship (Glick-Schiller & Çağlar, 2013). Rather, our analysis provides space for more flexible and neutral tools: the micro-foundation of entrepreneurial action, the market accessibility, the social networks’ morphological structure. Hence, it focuses on how network structures (the pattern of relationship) and network content (the resource access they provide) affect the entrepreneurial process (Slotte-Kock & Coviello, 2010, p. 31; Chen & Tan, 2009; Smith-Doerr & Powell, 2005). Networks are also the means of conveying the cluster of informal norms that guide economic action in terms of legitimacy rather than efficiency and material utility. The analysis we have outlined could be applied to the types of local production system with a high proportion of migrant micro-enterprises discussed in section three in order to determine whether each type originates from its own stable combination of factors (specific resources and motives at the individual level, particular normative orientation, and array of relational structures and structures of interdependence). This is a complex task that calls for extensive empirical work.

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