



An insight into the nature of the relationship between migration and entrepreneurship

Alin Croitoru¹

Abstract

Having as starting point a research field within the Romanian immigrant community from Graz, this paper assumes two ambitious objectives. Firstly, the article highlights some of the features of Romanian migration to Austria, an under-researched country of destination. Secondly, the paper attempts to supply a brief introduction into a very broad topic, namely the relationship between migration and entrepreneurship. Here we also attempt an understanding of how individuals' experience of international migration affects their propensity to entrepreneurial behaviors. The concept of entrepreneurship follows the lines described by Austrian economics which allows for a deeper insight into the individuals subjective perspectives on stimulating and inhibiting factors for entrepreneurship.

Keywords

Romanian migration, entrepreneurship, social capital, human capital

Introduction

There are numerous questions about the nature of the relationship between international migration experiences and entrepreneurial behaviors. *Can the experience of migration be seen as a stimulating factor for entrepreneurial behaviors? Should the home country or the destination country be analyzed when the emphasis is laid on the entrepreneurial behaviors adopted by people with experience in migration?* These are two of the main questions which are the driving force behind this analysis.

The configuration of entrepreneurial intention and behaviors and the role played by the stimulating or inhibiting factors is exclusively built on the basis of immigrants'

¹ Faculty of Sociology and Social Work, University of Bucharest, Romania, alin.croitoru@sas.unibuc.ro

narratives. From this point of view, there is an important connection to the subjectivist approach to entrepreneurship which can be found in the perspective developed by Austrian economics. Opportunities for profits do not exist until they are discovered by individuals, and entrepreneurs are persons who see things unnoticed by others (Nelson, 1999: 182). The sociological tools for analyzing immigrant entrepreneurship allow us to go deeper into the socio-economic mechanisms used by Romanian immigrants for initiating and maintaining a business in the market. The broad definition used for entrepreneurial intentions and behaviors refers to spheres from both official and shadow sides of economy. The main criteria used for differentiating between forms of entrepreneurship can be linked to (1) *the type of resources used by the immigrant who runs a business*; (2) *the level attained by a business on the market*; and (3) *the context country in which the business functions or the context country towards which intention is oriented*.

The paper is structured as follows: the first section provides a brief introduction into the main topics analyzed; the second section draws the lines of the theoretical framework and brings out the main concepts used; the third section of the article presents the methodological aspects of the research field; the fourth part points out some features of Austria as a destination country for Romanian migrants; the fifth part is concerned with the relationship between migration experience and entrepreneurial intentions and behaviors, and the last section contains some final remarks and discussions about the limits of this type of approach.

Theoretical framework

Types of resources used for initiating and maintaining businesses were the bases for some classical analyses of entrepreneurship (Kirzner, 1990 ; Portes, 2010; Schumpeter, 2008). In order to differentiate between different forms of capitals, the paper begins with the immigrants' perceptions about their forms of entrepreneurship. This article deals with conceptual tools such as *economic capital* - Schumpeter (1939; 1976; 2008), *human capital* - Casson et al. (2010), and *social capital* following the line of Portes (2010). The specific imprint of the migration experience of entrepreneurship is analyzed taking into account the concept of *capital transferability* (Borjas, 1992: 41-42). The act of international migration incorporates a re-evaluation of all these forms of capital because some of them lose or gain importance.

Numerous economic, political and social changes/transformations in the former socialist European countries have stimulated the individuals' option for adopting some 'life strategies' for improving their economic outlook (Nee, 2001: 848). In the case of Romania, international migration for work reasons has been and still is a strategic individual choice adopted in front of the economic difficulties facing the country (Potot, 2010; Sandu, 2010b; Toth and Toth, 2006). One sociological approach to the concept of 'life strategy' can be found in (Sandu, 2000: 6) "a rational structure of action, relatively

durable for the agent who adopts it"² and this can be an important starting point for a deeper understanding of the nature of the relationship between migration and entrepreneurship. To this extent, the paper takes into account a distinction between two types of strategic migration, namely definitive migration and temporary one (Voicu, 2005: 152-153). The inequalities between levels of rewarding work in different countries are one of the central points of analyzing migration and the case of Romanian migration is far from being the exception³. Economic motivations are usually approached in relative or absolute terms (Stark, 1993: 142) and this is important mainly at the moment of adopting the decision of emigrate. The qualitative methodology based on in-depth interviews supplies possibilities for analyzing the way in which Romanian migrants see their own reasons for leaving their home country. Furthermore, from these narratives we can understand whether there was an assumed strategic behavior or the reasons should be read in a different register.

The consequences of an international act of migration go beyond the life of the individual and certain migration studies point out influences of migration to the origin communities⁴ and to the host communities⁵. The approach in this paper is linked to concepts ranging from the economic sociology perspective and following the lines of Swedberg (2007) and Portes (2010) in an attempt of using methodological tools of sociology for studying economic oriented behaviors. Assuming an explorative character, the paper is focused on the entrepreneurial orientations and behaviors of the Romanian immigrants from Graz (Austria).

² All quotations from Romanian authors, who wrote in Romanian, have English translations that are my own.

³ The individual's rational selection of the type of migration adopted and the selection of the destination country was highlighted since the first studies about Romanian international migration. Șerban and Grigoraș (2000) illustrate with a case study about a community from Teleorman County (Dobrotești) the way in which individuals choose between different types of potential migration.

⁴ From this point of view, there are at least two different approaches to these issues, namely the ones who claim that countries and communities of origins are positively affected by the international phenomenon of migration (Sandu, 2010; Potot, 2010; Haas, 2007: 3), and on the other hand, there are the ones who argue in favor of the negative effects linked to the economic remittances (Funkhouser, 1992: 160; Haas, 2007: 4-5). In a different line of argumentation one can mention the 'brain drain' phenomenon and its negative effects on the origin communities. Finally, a new set of questions about the effects of migration for the origin communities can be formulated in terms of accentuating or attenuating the level of social inequalities.

⁵ In the case of host countries or communities there is another debate. There are scholars who point out the positive effects on the host economic context generated by the presence of immigrants, and often these are associated with the decreasing of labor costs in unskilled sectors or with a higher rate of occupation for the jobs usually refused by the natives (an interesting explanation of the way in which immigrants manage the situation of being in position from the low level of the occupational hierarchy can be found in Stark and Fan, 2010). On the other hand, Borjas starts from facts about the immigration in the US and suggests that the economic benefits based on the presence of immigrant population involve important costs. Under his approach on the topic: "The immigration debate is best viewed as a political struggle between those who win and those who lose. Simply put, immigration changes the way the economic pie is split – and this undeniable fact goes a long way toward explaining why some segments of society favor the entry of large numbers of immigrants, while other segments want to curtail or cut off the immigrant flow" (Borjas, 1999:103)

Immigrants' representations about these two contexts (home and host ones) represent the foundation for their attitudes and behaviors. Under the sociological approaches on this issue it often is pointed out that there are some important differences between mechanisms used by individuals for configuring their representations about home and destination contexts (direct knowledge vs. mediated knowledge). On the one hand, representations about the *home context*⁶ are affected by the subject's own life experience from the past (these experiences are filtered by their memory) and also these representations are influenced by information received from their acquaintances or gathered from the media and the internet. On the other hand, representations about the *destination context*⁷ contain an important dimension based on direct interactions between immigrants and their neighbors, co-workers and local or national institutions. Further, the paper is going to explore these two reference contexts which are overlapping and competing in the immigrants' discourses regardless of the fact they talk about past, present or future. Often, the immigrant makes a strong comparison between Austria and Romania, between Graz and Bihor⁸ or between 'us' and 'them'. The validity of these representations is less important because the interest of the research is mainly focused on the relationship between representations and entrepreneurial behaviors and intentions. From this point of view, there is a distinction between represented stimulating and inhibiting factors.

The analysis pinpoints certain types of entrepreneurial behaviors embraced by the Romanian immigrants in the country of destination and the focus is laid on the competitive advantages that they perceive. Given the context of international migration, educational resources are hard to transfer. The main obstacle is the linguistic one (Chiswick and Miller, 2004: 280). Even if subjects successfully certify their diplomas, there are certain

⁶ From this point of view, an important aspect is linked to understanding the difficulties faced by individuals who left their home context. Alfred Schütz (1945: 369-376) points out that there are parallel ways of evolution for the person who lives and the ones who are left behind. Any departure implies a break, and a long distance relation either based on phone calls or on the internet as means of communication cannot replace the role of *face to face* interaction for the process of representation construction. This issue became visible, according to Schütz, especially in the case of the 'homecomer' (this type of person who returns home after a period of time spent in a different country). Problems of re-adaptation and re-integration arise from both sides involved and the main reason should be searched for in the fact that each of them underwent certain transformations in the absence of the other.

⁷ The understanding that the individual has about the country of destination context is limited. Schütz (1944: 499-507) sketches the portrait of the 'stranger' found in a new cultural pattern. Those who formed themselves along the lines of a cultural pattern are able to get a few things as "evident/ granted", while the man who comes from outside will question and reflect on the reasons behind each thing. For Schütz (1944: 502) this originates from the fact that the 'stranger' and the host society can have at most one common present and a new project of the future, while the past of each party remains inaccessible to the other.

⁸ Bihor is a Romanian county (NUTS 3) and it is mainly used as an example because of its over-representation in the group of subjects that I interviewed for this research. As shown by the data collected by RCM, (Sandu, 2002) counties in the west of the country have the highest ratio of migration to Austria. Out of the group of counties that have the highest values for migration to Austria we should mention Timiș, Bihor, Arad, Satu-Mare, Maramureș, Caraș-Severin, Bistrița-Nasaud, Harghita and Suceava (the 9 counties amount to 80% of the recorded migrants as having Austria as their destination country in 2002).

acquired competences in a specific national context which have a modified level of utility in the destination context. Using Hayek's distinction (1990a; 1990b) between theoretical and practical sphere of knowledge, the current article illustrates certain differences of transferability of the two spheres of knowledge to the destination context. Technical abilities and certificates prove to be easily transferable if the individuals invest in their level of linguistic proficiency. This type of investment is considered mandatory by the subjects.

Following the lines of Hormiga and Bolivar-Cruz (2012: 13-15), the paper points out the positive relation between the migration experience and the propensity towards entrepreneurial risk assumption. The perspective of risk assumption is less inhibiting for the developing of an entrepreneurial type of behavior for immigrants, and this is relevant if one of the main drawbacks in the developing of an entrepreneurial career is the 'fear of failing' (Hormiga and Bolivar-Cruz, 2012: 16). At least one other aspect that can be drawn from the immigrants' entrepreneurial type of experience is worth mentioning, namely their propensity towards working overtime (Waldinger et al., 1990: 47).

Methodology

In order to emphasize the nature of the relationship between migration and entrepreneurship, this paper employs two distinct methodological approaches. Firstly, the article uses some statistical data about the immigration phenomenon from Austria. This part is constructed on data available from sources such as Statistik Austria, Eurostat and NIS Romania. On the one hand, the data allows for a longitudinal perspective of understanding the history of the Romanian flow of migration to Austria and a brief look into the persistence of inequalities between the level of rewarding native and immigrant labor. On the other hand, a transversal approach is used for analyzing data about the geographical distribution of Romanians in Austria and for a hierarchy of wages taking into account workers' ethnic origin. In addition to these sources the paper uses annual reports published by the Danube University Krems and GfK Austria.

Secondly, the paper uses a qualitative methodology based on empirical evidences resulting from field research conducted between December 2011 and May 2012 in Graz, which is the regional capital of Styria, a county from southern Austria. The choice of this region is supported by three main arguments directly associated with the data presented in Table 1 (appendix 1): (1) the data shows that the Styria county records the highest values for the ratio of Romanian citizens from the total population of the county; (2) the county has the highest ratio of Romanian ethnics from the total of population with different ethnicity; and (3) this is the highest ratio of Romanian citizens from the total population without Austrian citizenship. At the moment this field research started, there were no contacts in Graz and the choice of four different starting points as sample developed by means of the snowball technique. One of the main criteria for choosing them was the period of time since they came to live in Austria, trying to avoid the cases of recently arrived Romanians. This methodological option was based on a theoretical background which claims there should be a minimum time for the immigrant to adapt to

the new living context. Additionally, in the case of Romanians who can talk about migration for work reasons and especially in these cases there should be a period of time for capital accumulation as basis for subsequent entrepreneurial investments. Following the lines of Chiswick and Miller (2004: 225) we can bank on the fact that the immigrants earnings increasing correlated with the period of time spent in the destination country. All these were reasons for a higher representation of the group of immigrants who moved in Austria around the 1990s.

The present field research is based on 17 interviews recorded with Romanians who settled themselves in the Graz area. The length of the interviews varied from 30 minutes to over 2 hours depending on the openness that people showed and on the presence or absence of the entrepreneurial behaviors. Some of them were made at their home and the other part was recorded in public places. As many researchers in the field of migration pointed out, recording interviews with migrants is not an easy task. Often it was necessary to convince the subject of the importance of the interview because some people have not accepted the recording of the discussion from the first meeting. In some cases I was forced to give up the interviews because the subject did no longer answer the phone, or because the constant delays become daunting.

The interview guide has been designed to cover a series of pre-established topics which were selected on theoretical basis. Each interview has a brief introductory part referring to the subject's life before emigration. The second part of the interview was focused on the ways in which the immigrants managed to integrate into the destination context. The last part of the interviews concentrated on intention or entrepreneurial behaviors. In cases where these were noticed, the discussions were conducted for a better comprehension of the mechanisms behind these behaviors, for finding more about the form of capital underlying the set up of a business. High importance was given to the country where the immigrants had invested or intended to invest their capital. In cases where entrepreneurial intentions or behaviors were not present, discussions were conducted for pointing out the presence or absence of certain inhibiting factors.

Austria as a destination country for Romanian migrants

Since the middle of 1960s Austria has become a destination country for economic motivated migration. In a fashion similar to the German model⁹, Austria chose to sign bilateral agreements with Turkey and former Yugoslavia in order to borrow labor force for a temporary period (Kogan and Kalter, 2006: 36-37). After the fall of communist regimes in Central and Eastern Europe, the whole German space was a preferred destination for migration. The first decade of the 21st century brings a plus of about 400,000 people for Austria (Biffi, 2012: 22).

The data from Statistik Austria allows us to point out the importance of the gap from 2007, namely the moment when Romanian immigrants received the legal right to stay in European Union countries. Thus, in the period between 1991 and 2007 the number

⁹ Germany signed the first bilateral agreement with Turkey at October 31st 1961, both parts agreed on a temporary basis of this labor force Hestermann, 2003: 332).

of Romanian citizens in Austria increased from 18,536 to 21,882 and after the 2007 these figures soared.

Tabel 1. The evolution of the number of population with Romanian citizenship in Austria

	1981	1991	2007	2008	2009	2010	2011	2012
Romanian citizens	1,253	18,536	21,882	27,646	32,341	35,962	41,739	48,470

Source: Statistik Austria apud. Medien-Serviceestelle Neue Österreicher/Innen

A transversal analysis (2012) allows us to emphasize the high level of differences between the different counties in Austria. In absolute figures there is a high concentration of Romanians in Vienna and its surroundings. If we report these figures to the total population of the region or to the population of immigrants (with or without Austrian citizenship) we can develop a different perspective about the level of Romanian presence concentrated in three main counties (Upper Austria, Lower Austria and Styria). The highest relative values are registered in Styria. This allows us to focus our research field on the capital of this region. From the total of about 75,000 ethnic Romanians, there are about 25,000 who have Austrian citizenship and rest of them are still keeping Romanian citizenship. The Styria region has about 10,000 Romanian citizens and about 3,500 persons with Austrian citizenship who are ethnic Romanians. The data presented in table 1 (appendix 1) points out that from 1,000 people who live in Styria 11 have Romanian ethnic origins and at for every 100 immigrants 11 have Romanian ethnic origins¹⁰. The lowest values for the presence of population with Romanian ethnic origins are registered in counties such as Voralberg, Salzburg and Tyrol.

¹⁰ These high values for Steiermark can have hypothetical explanations. Firstly, we can mention the situation from the 90's when each regional administration in Austria could decide on the legal acceptance of immigrants and from this point of view some subjects mentioned no impediments in receiving rights for staying and working in this particular county. Secondly, the industrial tradition of the region was closer to the skills owned by the Romanian pioneers of migration who were mainly from the counties from the West part of Romania (Arad, Bihor, Caraş-Severin and Timiş) which also has an industrial tradition. Thirdly, another possible explanation can be linked to the situation of the region in the proximity of the Northern part of Italy. To this extent, some subjects mentioned a flow of relocation from Italy to Austria when the Romanian immigrants had opportunities to do so. Finally, if we make a comparison between touristic regions such as Salzburg or Tirol and Steiermark we can see that the latter has lower levels for covering the cost of living. All these aspects can increase the level of accessibility of this destination and after a while they could develop migration networks in a similar fashion with those analyzed by (Sandu, 2010a: 105; Şerban and Voicu, 2010: 98).

On the nature of the relationship between migration and entrepreneurship

Entrepreneurial behavior in the country of destination

In the case of Romanian citizens who live in Austria, the year 2007 brought about the legal right for living there, but there are still certain restrictions for accessing the labor market. One particular feature of the Austrian labor market is related to the important role that the state assumes in mediating the relationship between the employee and the employer (Biffli, 2012: 6). Even if the official level of unemployment in the two countries has attained quite similar levels, in Romania's case, we should take into account the defective way in which this is measured, particularly in the rural area (Mihalache, 2011: 59-60). The labor offices in Austria (Public Employment Service or AMS) have a very accurate record of all persons who are entitled to work in Austria according to their area of residence. Each territorial office is bound to mediate the quickest employment of the people who are not working, and in the case of immigrants there are offered German language courses, vocational training and professional qualification and placement services of vacancies. The services provided by this institution are currently not available to Romanian citizens who do not have a legal working permit for Austria. In order to have legal access to the Austrian labor market, Romanian migrants have to find an employer to request their official registration which implies that during this period they should have the right to work only for the employer who has required their registration (the severance of the contractual relationship between employer and the employee leads to the loss of the right to work for the migrant). This legislative aspect related to the fact that in Austria employees with salaries up to 1,000 euro are only obliged to pay contributions to the employee health insurance making this mechanism one of the main gateways on the labor market.

Another way to access the labor market is registering as self-employed, but this option is more expensive and Austrian law requires that the individual who wants to achieve the status of a self-employed person should submit documents or certificates of proficiency stating the qualification in that particular field. Another feature of Austrian labor law stipulates that a person who can prove that they have legally worked in Austria for a year benefits from the right of professional and territorial mobility within the country, and this right is valid for all family members (Biffli, 2012: 7). Thus, from the strategies used by Romanians to enter the labor market in Austria we can mention the registration practice as self-employed in order to be able to provide cleaning services or the practice of the illegal work until one member of the family manages to acquire the right to legal employment. The early period is mainly mentioned by Romanian migrants as having a high degree of difficulty or with the work acceptance of under-paid work. From this point of view, Romanian employers who have registered companies hire people from Romania paying them wages which are smaller than the labor market for one year, but allowing them to have access to the legal employment after the acquisition of a work permit (the poor image of Romanian employers among Romanian employees has a similar degree to that described by Serban and Grigoraş (2000: 38) for the

Romanian employers from Spain and for the Romanian employers in Italy detailed in Ban (2009: 142).

The people I talked to were working in different fields (cleaning, construction, manufacturing, sales, tourism etc.) and they had a history of at least three years in the destination country (with one exception, namely a person who was there for less than a year). In terms of age, the differences between them are notable, the youngest being less than 25 years old and the oldest being over 60 years. I avoided doing interviews with people who were in Austria to study or retired persons.

From the different types of businesses that the Romanian immigrants set up in the country of destination, the most frequent are present in the building industry. It is just as true that in this particular industry, male Romanian workers have easily found work (Sandu, 2010a: 101), and from this point of view, we consider that Austria is no exception. In the case of the immigrants from the Graz area that we interviewed, there are a lot that at some point worked in the building industry. An illustrative case for the objective assumed in our research is subject N.

In short, subject N's story is one that can be easily recounted within the terms of reference from the field of entrepreneurship. To this extent, we must mention that subject N had a series of entrepreneurial activities during his time in Romania, among which we can refer to opening a car wash, second-hand car dealing (cars which he brought from abroad and sold in the country). This case is interesting considering that subject N acquired the necessary technical knowledge in the country of destination, and he only transferred his entrepreneurial experience¹¹, respectively the ability to seize the already existing opportunities on the market and to endeavor in making a profit from exploiting said opportunities. As Casson asserts (2010: 5), the entrepreneurial type of experience does not come in sight just from a technical type of knowledge (with respect to Casson and the goods' production process), but it is rather the result of a blend between the technical type of knowledge and market knowledge, respectively of the existing supply and demand. After working for three years in a construction company where he benefited from several courses of German language and professional competence paid by the company (and thus he was promoted to construction superintendent), he decided to open up his own firm in this particular domain. He began with a single task of repairing a roof and afterwards expanded to a degree where, at the time our interview was taken, he could acquire several projects to "build a house from scratch and make it suitable to move in". The entire period of time he preferred to work (mainly) with immigrant workers from Romania and the Republic of Moldova. In order to be able to see how this entrepreneurial experience from his home country had helped him, we can supply a short excerpt from our interview with subject N: 'I had a firm in Romania and I knew how it worked and how to get into the system, because in Romania,

¹¹ "Entrepreneurship can be regarded as one of the components of human capital. It is a skill relating to the processing of information. It is not the routine managerial skill of taking decisions according to procedures, but rather the skill of judging what these procedures should be. It is also the skill involved in taking decisions in unexpected business situations where ordinary procedures do not apply." (Casson et al., 2010: 15; italics added).

you have to know people. For example, nowadays, there is not a day where I don't get a phone call to make an enquiry or something, but at the beginning when I was unknown to them I had to enter the market. I started with certain shops specialized in construction materials, and I got in touch with them and I used to make exchanges. I brought him customers to buy materials and he gave me his customers to work for him. After a year I moved from fixing rooftops to others'. In this case we can talk about that particular type of 'learning' by being present on the market (Kirzner, 1973; Kirzner, 1990), respectively about the process through which the entrepreneurs learn the mechanisms of the market and what they must do in order to make profit from the manner in which the market evolves. His firm had a gradual development on profit alone. The economic crisis and other market courses influenced the firm in a way that at the moment of our interview, the personnel was reduced to circa 10 employees. At the moment, subject N considers himself the most proficient man in the firm, and his involvement is displayed on all levels of a contract's progress. Aside from negotiating the contracts and managing certain deals for the firm, he states that 'I do all the measuring, all the drawings, the site, the stairs... I draw them at home on my computer. (A. C.) - Where did you acquire these skills? Subject N: In time, practicing and stealing craftsmanship. I can't wait for morning to come, to go to work, I like what I do and it just works, I am never too tired to do this job.' An attitude like this towards work, combined with a previous entrepreneurial experience and hiring workers from Romania and the Republic of Moldova, seems to be the perfect recipe to ensure the success of a Romanian entrepreneur on the Austrian market.

In the case of entrepreneurial practices in the country of destination, it is useful to single out the importance of the individuals' stocks of human capital (Levie, 2007: 145-146). To this extent, as mentioned above, what matters the most are those technical abilities and knowledge that the individual could use in the country of destination. To illustrate this particular type of entrepreneurial initiative we will refer to subject G. In his case, what we can bring into discussion is his desire to open up an auto-service in the country of destination. He gained the technical knowledge in this field mainly from practicing this job in Romania, Spain and Austria. The little knowledge he acquired in a vocational school (which he quit in the 10th grade) was added up to a period of working in an auto-service and to a period of working as a professional driver, which could represent an important competitive advantage in the inception of a business in this particular niche (Labrianidis and Hatziprokipiou, 2010: 205). At the moment of our interview, he had already resigned from a position in a factory and wished to invest his unemployed time in perfecting his knowledge of the German language to later try to open up a small auto-service. The time range during which these two were supposed to come to completion was not clearly defined; mainly due to the lack of economical resources necessary for this initiative (the empty lots he viewed were too expensive). From our conversations, he seemed to be more prone, at least for the time being, to investing his time in buying and selling cars on the Austrian market.

Another type of example illustrating the same concept is subject M involved for several years in a practice of buying, restoring and selling cars. This business did not

require a major financial investment and seems to be closer to what Stoica (2004), in an analysis on the types of entrepreneurial careers developed in post-socialist Romania, called 'part-time entrepreneurship'. Subject M stated that, although this type of business was fruitful in time, he did not wish for it to be his main object of activity so he also kept his job at the factory. His firm, which he had registered in 2006, allowed him to export cars to Romania, but as of late he confined himself (with small exceptions) to buying and selling cars in Austria alone. He constantly exchanges useful information with two partners who are in the same business, one with Hungarian origins and one with Nigerian origins. An interesting point can be found in the manner in which subject M talks about this type of business: Subject M: 'So you must have connections, you must know people, because you are nothing without them, you just can't do anything. Acquaintances in buying cars, acquaintances in selling cars, I also have a friend that deals in insurance. If he finds out about a car, my friend immediately calls me, I, of course, pay him, I give him 100 euro... So life is a struggle, a constant struggle, you keep fighting and fighting...' The awareness of the importance of social resources ensures his making profit. The entrepreneur presented in this case has managed to use the network he has built over the years in order to obtain premium information and thus place himself in a privileged position on the market (Granovetter, 2001: 450).

Cases where Romanian immigrants that have invested or are willing to invest in entrepreneurial behaviors directed towards the business environment from the host country prove that this is possible. The fact that they do not have of significant economic resources is mitigated by their availability to work more than a native on average and to utilize types of resources which can be labeled in the area of human and social capital. All the cases that we presented seem to have common grounds in raising awareness on the competitive advantage that the individual can possess in order to carry out entrepreneurial activities. To this extent, we can emphasize on technical knowledge, raising awareness on the importance of social networks to develop a business, as well as knowing the fashion in which a particular economical environment functions.

Entrepreneurial behavior oriented towards the country of origin

Another type of entrepreneurial investment, which we can illustrate on the basis of our field research, is that belonging to the people who live in Austria and do not intend to return to Romania too soon, but rather choose to invest in the country of origin. From this point of view, we must distinguish between what is called a long term locative investment and what we can label as an entrepreneurial type of investment. Thus, the restoration of a house that was either bought or inherited and keeping this house outside the real estate circuit, respectively keeping it as a vacation house in Romania, is one of the cases where it can be labeled as a long term locative investment (subjects L and M find themselves in this situation, meaning that they kept and restored their homes from the country of origin without a commercial purpose). On the other hand, the acquisition of an apartment and renting it can be considered as being an entrepreneurial

type of investment. A short excerpt from a dialogue I had with one of the Romanian immigrants in Austria can illustrate this difference:

“Subject O: With the money I earned, I and my mother-in-law bought an apartment together.

A.C.: Where?

Subject O: In Petroșani. It cost 20 000 euro. I put half the money and my mother-in-law put the other half.

A.C.: What was the purpose of buying it?

Subject O: I wanted to rent it, because my uncle has 4 studio apartments and one apartment.

A.C.: So, he lives here and rents apartments in Romania?

Subject O: Yes, he lives here and receives almost 1000 euro monthly rents from Romania. He has 4 studio apartments and one apartment in Petroșani as well.”

What this dialogue exemplifies is not an entrepreneurial activity which can be related to seizing an opportunity raised on the market and making profit out of it. Rather in this case, what we can talk about is a transfusion of certain investment behavior, or what, in the terms of Hedström (1998: 307), could be described through the phrase ‘rational imitation’, respectively “an actor acts rationally on the basis of beliefs that have been influenced by observing the past choices of others.” In numerous cases, immigrants believe that real estate investments represent the surefire method of saving money. Choosing the country of origin as a place to invest your saved up money is mainly due to the immigrants’ limited capacity of investing, if you consider the fact that the amount of money they have does not provide them with access to the real estate market in the country of destination. In the case of subject O, he imitates his uncle’s example of success and invests his money in Romania. Buying an apartment with sole commercial purposes, such as renting, can be considered to be entrepreneurial behavior.

A particular case of entrepreneurship oriented towards the country of origin is that of subject M. Among the different entrepreneurial behaviors that he mentioned during our interview, is that of opening a mill in one of the places near Timișoara. He states that he managed to convince two acquaintances of his, for which he mediated the purchase of trucks from Austria, to invest together in opening a mill. The idea belonged to him, but due to the fact that at the same time he also purchased a house, he could not assist them with the third share necessary to initiate such a business. He wished to partake in this business, but after a while he realized that he ‘cannot keep up’ and thus he left the whole responsibility on his two partners living in Timișoara. In the year of 2008, when they sold the mill, subject M received his share corresponding to the initial investment, respectively the sum with which he contributed, to which the profit resulting from selling the business in one of the relatively good economic years for Romania was added.

The knowledge of the business environment in Romania that the individuals possess can lead to a situation where they can use the economic, human and social capital resources that they own in order to carry out some investments in the country of

origin. It is not the intent of coming back which motivates them to invest, rather the acknowledgement of certain opportunities or the emulation of certain patterns of entrepreneurial behavior whose sustainability is already successfully tested by several Romanian immigrants.

Transnational entrepreneurial behavior

In our case, transnationalism infers the ability to link the country of origin to the country of destination. Thus, the concept of transnationalism can be useful, in the sense that it allows the researcher to bring out the fact that there are immigrants whose lives transcend the borders of a state and it can be understood by appealing to two or more societies (Schiller et al., 1995: 54). Starting from our field research, we can point out that one of the entrepreneurial types in which the forms of social capital play an important part, is that of mediating work contracts between the employers from the country of destination and persons from the country of origin. To give an example, subject B was one of the persons who was most open when speaking about the types of businesses he had over the years, and in his talk, he frequently talked about the importance of knowing people everywhere, which brings us to the importance Granovetter (1983) allotted to “the weak ties”. Leaving the country on his own in 1990, he had several experiences which can be labeled as being entrepreneurial. According to his own account, he had a firm with which he imported goods into Romania from different European countries. The data offered in his account prompts us to conclude that the most important resource in order for the firm to function can be labeled as being of social nature and it regards his ability to maintain useful relations with persons in key positions. These people came from offices dealing with supplies, as well as people dealing with the later trading of those supplies. Another entrepreneurial type of activity of subject B is mediating seasonal jobs for persons from Romania (similar activities are noted by Ban, 2009). According to his own words, his activity as a mediator had started many years ago and it was based on his developing good relations with the Austrian farmers from the surrounding area. For a long time they had employed seasonal workers, either Hungarians or Slovenians, but since they were able to legally hire Romanian workers, they became the preferred labor force, because they work for lesser wages than Hungarians or Slovenians, they do not have to commute, which is common practice for the latter (Slovenia and Hungary being less than an hour away by train).

Unlike the case presented previously, subject L incurs the economic motivation behind intermediating work contracts carried out through a firm registered in Romania (which closed down the moment she broke up with her Austrian life and business partner). In this case, the firm still existed at the moment subject L took an active part in identifying Romanian workers willing to work in Austria in the building industry. The pattern through which they were selected was described by subject L as follows: *‘I had adverts in every paper in the country, I had a database in Romania, I handled that, people called us, they handed us their resumes, their paperwork, and when it was needed, we had this contract for ten welders, for example, and then I would look in the database, pick some*

of them and they had to be screened.’ The moment the two of them split up, the firm closed down because neither one could act without the other. The Austrian partner identified and negotiated the works, whilst the Romanian partner enabled the access to cheaper labor force. Presently, subject L is involved in a new firm with a different Austrian partner, specialized in clothes dealing. In fact, the two women buy clothes from Italy (sometimes even Hungary) which they afterwards sell on the basis of a network of relations built over time by the Austrian partner.

Even more than the other types of entrepreneurship, transnational entrepreneurship emphasizes on the importance of the *social capital* that the individual possesses. The specific cases presented in this section point out that one of the transnational entrepreneurs’ qualities can be linked to their connection to networks, namely the role of mediator that they can assume, and this particular role corresponds to the one White (1990: 90) assigns to the ‘arbitrageurship’.

Inhibiting elements for entrepreneurial type of practices for Romanian immigrants in the Graz area

Inhibiting elements regarding entrepreneurial investments in Austria

Among all the main obstacles perceived as deterring the legal practice of entrepreneurial type of behaviors, we can highlight the high rate of taxes which firms in Austria must pay. From this point of view, from our interviews we can emphasize on the cost related to labor force. One of the subjects that had previously owned a firm in Romania as well, and at the moment owns a firm in Graz in the building industry, is rather categorical about this particular aspect: Subject N – ‘No other country in Europe has as many taxes and fees on a firm, it is rather hard. More so, we, in the building industry, have another fee on holidays, so I have to pay around 900 euro per person, plus health insurance ... If a person earns 1300 euro, I have to pay 4000 euro. In no other country in Europe do you find anything like that, everywhere it is double, he earns 1000, and the employer pays 2000, but over here it is four times.’ On the one hand, the Austrian government has a high level of assistance in readmitting people that have lost their jobs to work again, on the other hand there is a high rate of taxing earnings resulting from commercial activities. In these terms, the perspective of an entrepreneurial activity can be beheld with certain reluctance by Romanian immigrants.

Inhibiting elements regarding entrepreneurial investments in Romania

Bringing into discussion the ‘practical’ tinge of the entrepreneurial type of knowledge, developed by Austrian economics (Croitoru, 2013), we could say that it is one of the means with which we can observe the reluctance of the people living in Austria regarding the opening of a business in Romania. The mediated access to market information from the country of origin is a basis for developing suspicion and mistrust, and trust is one of the premises necessary in order for a business to function properly. To this extent, for

the entrepreneurship, one of the largest sources of uncertainty is placed amidst the information acquired from other persons (Casson et al., 2010: 10). The fear of being double crossed can be elevated if you live in a different place and you cannot have direct control over the business you wish to start. We can take a look at the categorical way another subject answers the question referring to the possibility of developing a business in Romania, taking into account the fact that he would still live in Austria (he is one of the subjects who stated that he wished such a thing at some point in time): Subject N. – ‘No, no, no, there is no such thing. To establish a firm, you must be involved.’ These short examples are representative for the manner in which establishing a business in the country of origin implies the immigrant’s return to the country. Investing the money in a faraway place (even if the immigrants have high level of knowledge about their country of origin) is seen as nonviable. Likewise, the persons who left and those who stayed back home change in parallel ways and not similarly (Schütz, 1945), and from this point of view, not even current means of communication manage to keep intact the level of intimacy of these relations (Moroşanu (2013) exemplifies these aspects starting from a recent research on the Romanian immigrants in London). Thus, even if the immigrant would identify certain business opportunities in the country of origin, accommodating the ‘life strategy’ to these opportunities is seen as a long term project at best.

Another index on inhibiting reasons for starting a business in Romania stems from the manner in which the functioning of small businesses in Romania is perceived. There were fears of fulfilling contractual obligations (or not), as well as aspects of work ethics, and from this point of view there are numerous parts in the interviews with Romanian immigrants in Austria, where they signal the existence of major differences between the country of origin and the host country. The fact that some of the subjects mentioned the efforts that the Romanian immigrants make in order to adjust to this particular style of working is rather important. This represents an additional argument for those who claim that the experience of migration changes individual attitudes and behaviors, and the individuals with migration experience – whether they still live in the country of destination or choose to come back in the country of origin – have certain characteristics, different from the individuals without experience in migration (Sandu, 2010b).

Conclusions

This paper points out some of the essential lines of Romanian migration towards Austria. The gap from 2007, worth mentioning, is useful to distinguish the high level of geographical clusters of population of Romanian origin living in Austria and the distinctive importance Vienna and Styria hold. From the point of view of economic assimilation and the level of income differences between immigrants and native population respectively, we could assert that the population with Romanian origins is not fully assimilated. As mentioned before, the fact that the group to which Romanian ethnics belong earns 80% of what an Austrian citizens earn on average positions Romanian ethnics on a mid level in this hierarchy.

The analysis over the developing of entrepreneurial behaviors amongst the Romanian immigrants in the Graz area (Styria) was conducted along two main dimensions, according to the facilitating or inhibiting role which can be attributed to the migration experience. The constructed and illustrated types of entrepreneurial behaviors mainly regard the direction of entrepreneurial activities towards the country of destination, the country of origin or even both. In the case of facilitating mechanisms in adopting an entrepreneurial career, we have mentioned certain specific types of human capital, staying in contact with people from the country of origin, as well the ability of certain individuals to link two different market contexts (the Romanian and the Austrian ones). As far as the elements considered to be inhibiting the inception of an entrepreneurial activity are concerned, the paper has pointed out a dissimilarity between those that characterize the context of destination and those that ensue from the immigrant status (in this case, emphasis was laid on the difficulties perceived by the Romanian immigrants who intended to set up a business). On the one hand, in the case of starting an entrepreneurial activity at destination, the main obstacle is identified as being the high level of fees, and on the other hand the costs necessary to ensure the entrance and sustainability on the market are seen as difficult to cover. The situation of opening an entrepreneurial activity in Romania can be described in different terms. The main inhibiting aspects are identified as the lack of trust in possible business partners, the low level of satisfaction regarding the functioning of Romanian institutions, and last but not least, the difficulties associated with the impossibility of running a small business from another country.

The contribution of this paper is to identify the key concepts for understanding the relationship between entrepreneurship and migration from a subjectivist perspective, in outlining the importance of the market type towards which the entrepreneur is oriented and the combination of resources used in order to build a business. The sketched perspective on the relationship between migration and entrepreneurship starts from a theoretical spectra to depict the conceptual tool that can be used, then it goes on to illustrate the main types of entrepreneurs based on the field research and the types of resources that they use and finally, configure some of the possible relationships between individuals' resources, market behaviours and social contexts.

Analyzing the entrepreneurial behaviors of the Romanian immigrants in the Graz area shows us that a shift in the emphasis mark from the forms of economic capital towards those of human and social capital can be a legitimate one. Under certain specific circumstances, entrepreneurial careers can be adopted by speculating human and social stock capital, which the immigrant has at hand. On the one hand, the status of immigrant encompasses a strong potential of innovation, because the individual is acquainted with different market contexts, and any transfer of certain types of practices from one market framework to another fulfills the fundamental Schumpeterian requirement in order to define the entrepreneur. Additionally, the ability that some Romanian immigrants revealed with respect to re-combining different capital stocks in order to build an entrepreneurial career can be described by the Schumpeterian metaphor 'new

combinations'. On the other hand, we can bring into discussion the main characteristics brought to light by the representatives of Austrian economics that define the entrepreneur, respectively the ability of the individual to constantly adapt to the demands of the market and his ability to learn by being present on the market.

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Alin Croitoru has been studying sociology at the University of Bucharest, Romania. Currently he pursues his PhD at the University of Bucharest, studying processes of transition in Romania. The main areas of interest are linked to entrepreneurship and international migration.

Appendix 1

Table1. The geographical distribution of Romanian ethnic origin population taking into account their citizenship

	Austria	Burgenland	Carinthia	Upper Austria	Lower Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna
Total population	8,443,018	286215	557773	1617455	1416772	534122	1213255	714449	371741	1731236
Non-Austrian citizens	970541	17369	40724	115881	120176	70682	87713	81870	49750	386376
Non-Austrian ethnic origins	1349006	25888	55485	170057	176615	87152	121103	108320	65502	538884
Romanian citizens	48470	1593	1526	7899	7138	1791	9747	1235	547	16994
Austrian citizens with Romanian ethnic origins	26169	1213	653	5775	6548	1105	3441	419	271	6744
Population with Romanian ethnic origins (with and without Austrian citizenship)	74639	2806	2179	13674	13686	2896	13188	1654	818	23738
Population with Romanian ethnic origins from the total population (%)	0.88	0.98	0.39	0.85	0.97	0.54	1.09	0.23	0.22	1.37
Population with Romanian citizenship from the total Non-Austrian citizens (%)	4.99	9.17	3.75	6.82	5.94	2.53	11.11	1.51	1.1	4.4
Population with Romanian ethnic origins from the total Non-Austrian ethnic origins (%)	5.53	10.84	3.93	8.04	7.75	3.32	10.89	1.53	1.25	4.41

Source: Statistik Austria (my own calculation for percent)