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The entrepreneurial activity of the immigrants in the municipality of Volos as an influence on social integration

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ABSTRACT

The essay aims to investigate the influence of entrepreneurship on the social integration of the immigrants in the city of Volos contributing to the enhancement of social capital theory. Additionally, the geographical and local milieu of Volos is under examination for the development of immigrant entrepreneurship. The novelty of this essay is that it is a first attempt in the city of Volos to examine the level of social integration of the immigrants through the entrepreneurial activity and transactions. Comparison among the immigrant entrepreneurial groups indicates that entrepreneurship along with certain local characteristics affect at some level the social integration of the immigrants. The results of this research may be a field of study of the role of the entrepreneurial and local contexts on the social integration process of the immigrants and it may be a useful tool for the local actors responsible for carrying out immigration orientated policies.

Key words: immigrant entrepreneurship, social integration, social capital, Volos

ΠΕΡΙΛΗΨΗ

Η εργασία σκοπεύει να εξερευνήσει την επιρροή της επιχειρηματικότητας στην κοινωνική ένταξη των μεταναστών στο Βόλο, συμβάλλοντας στην ενίσχυση της θεωρίας του κοινωνικού κεφαλαίου. Επιπρόσθετα, το γεωγραφικό και τοπικό περιβάλλον του Βόλου βρίσκεται υπό εξέταση σχετικά με την ανάπτυξη της μεταναστευτικής επιχειρηματικότητας. Η καινοτομία αυτής της εργασίας βρίσκεται στο γεγονός ότι γίνεται μια πρώτη προσπάθεια, στην πόλη του Βόλου, να εξεταστεί το επίπεδο της κοινωνική ένταξης των μεταναστών μέσω της επιχειρηματικής δραστηριότητας και συναλλαγών. Η σύγκριση ανάμεσα στις ομάδες των επιχειρηματιών μεταναστών υποδηλώνει ότι η επιχειρηματικότητα μαζί με συγκεκριμένα τοπικά χαρακτηριστικά επηρεάζουν σε κάποιο βαθμό την κοινωνική ένταξη των μεταναστών. Τα αποτελέσματα αυτής της έρευνας μπορούν να αποτελέσουν ένα πεδίο μελέτης του ρόλου των επιχειρηματικών και τοπικών πλαισίων στη διαδικασία κοινωνικής ένταξης των μεταναστών και πιθανώς ένα χρήσιμο εργαλείο για τους τοπικούς παράγοντες που ευθύνονται για τη διεξαγωγή μεταναστευτικών πολιτικών.

Λέξεις κλειδιά: μεταναστευτική επιχειρηματικότητα, κοινωνική ένταξη, κοινωνικό κεφάλαιο, Βόλος

Contents

1. Introduction	1
2. Theoretical Background	3
2.1 The concept of social integration	3
2.2 Immigrant Entrepreneurship as a factor of Social Integration	4
2.3 Case studies on Immigrant Entrepreneurship	10
2.3.1 USA and Europe	10
2.3.2 Greece and the city of Volos	15
2.4 Hypotheses	19
3. Methodology	22
4. Analysis	24
4.1 Sampling	24
4.2 Testing Hypotheses	25
4.2.1 Hypothesis 1	26
4.2.2 Hypothesis 2	32
5. Conclusions	39
APPENDIX A	42
APPENDIX B	46
APPENDIX C	57
BIBLIOGRAPHY	60

Figures

1. Aspects of bonding and bridging social capital through entrepreneurship: the role of customers	27
2. Aspects of bonding and bridging social capital through entrepreneurship: the role of suppliers	29
3. Creation of friendships or acquaintances with natives through business/neighborhood.....	30
4. Composition of employees in immigrant businesses.....	31
5. Existence of racist behavior or discrimination in the working environment	32
6. Reasons for choosing Volos as a place of residence and as a place for starting a business	33
7. Reasons for choosing the specific neighborhood for the establishment of the business	35
8. Examination of financial support from local institutions.....	36
9. Membership or not of the immigrant entrepreneurs in local business association	38

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1. INTRODUCTION

Migration in recent years has been augmented for several reasons, economical, political, religious and cultural. This fact has multi-sided effects both on the host countries' societies and the immigrants themselves. The essay aims to examine different aspects of social integration through the immigrant entrepreneurship in the city of Volos. City of Volos is as a city located almost at the centre of Greece and has a port. These facts may affect in some level the attraction and concentration of immigrants. Immigrant entrepreneurship except from contributing to regional economic growth is a *“form of inclusion, as it increases interdependence and participation”* (Eraydin, Tasan-Kok & Vranken, 2010). The theory through which this paper will analyze the above argument is the social capital theory. Moreover, the study of the immigrant entrepreneurship in Greece is relatively a recent phenomenon and any empirical evidence is mainly focused on metropolitan cities like Athens and Thessaloniki. The essay tries to see immigrant entrepreneurship as an influence of social integration. The first hypothesis is that the entrepreneurship of the immigrants can develop bridging or bonding forms of social capital. In this way, the entrepreneurship is likely to affect the process of the immigrants' social integration. The second hypothesis has to do with the role of the city in the immigrants' decision and motivation for entrepreneurship. Specifically, it is examined whether the geography of Volos or other local characteristics matter. The novelty of this essay is that it is a first attempt to examine the social networks of the immigrants through their entrepreneurial activity in the city of Volos. The majority of the essays in the contemporary literature usually examines the factors affecting the immigrant entrepreneurship or presents the contributions of the immigrant entrepreneurship to the host regions. The social capital usually is included in these factors. The specific essay views immigrant entrepreneurship as a factor influencing social capital and especially the social integration of the immigrants. Moreover, the examination of the role of the local milieu of a provincial city as Volos in this social integration process enhances the novelty of the essay.

After this introduction, Section 2 presents the theoretical background interpreting the concept of social integration and social capital, the phenomenon of immigration and entrepreneurship. Additionally, empirical evidence from the international and Greek literature is presented. Section 3 presents the method followed, Section 4 tests hypotheses. Finally, in Section 5 the results are respectively presented, discussed and concluded.

2. THEORETICAL BACKGROUND

2.1 THE CONCEPT OF SOCIAL INTEGRATION

Social integration is a multi-dimensional and complex concept. Consequently, there is not a standard definition. Scholars, scientists of Sociology and international organizations try to approach the phenomenon by a series of parameters. A more recent definition correlates social integration with social cohesion in the sense that societies with high levels of social cohesion are more probable for populations to integrate (Entzinger and Biezeveld, 2003).

Esser H. (cited in EFMS, 2006) indicates four basic forms of social integration: acculturation, placement, interaction and identification. . All these forms have their significance, but the focus of this paper is the interactive integration as immigrant entrepreneurship is seen as a process that is likely to develop such integration. Referring to immigrants, interactive integration means the acceptance and inclusion of immigrants in the primary relationships and social networks of the host society (EFMS, 2006). Taking into account the above definition, the indicators of interactive integration include social networks, friendships, family networks and voluntary membership in different organizations. In the first states of the integration process, the development and adaption of the social networks in the host society's contexts are passing through the solidarity and support of co-ethnics and relatives and through the sharing of information and experiences.

The European Commission suggests that "*integration should be understood as a two-way process based on mutual rights and corresponding obligations of legally resident third country nationals and the host society which provides for full participation of the immigrants*"(CEC, 2003: 17). This definition focuses on the immigrants that are legally living in the host country. It could be said that citizenship has been provided to these immigrants and the interaction is limited between them and the official state structures and policies of the host country. Nevertheless, this definition excludes the phenomenon of illegal immigration that has been augmented nowadays, for several reasons. Moreover, the opportunities given by the host country and the policies for the acquisition of the Residence permits or the Citizenship alongside with the everyday treatment of the immigrants even as individuals or groups are also excluded.

A more inclusive definition is given by the Economic and Social Committee (ESC) of the European Union. This definition correlates social integration with civic integration “based on bringing immigrants’ rights and duties, as well as access to goods, services and means of civic participation progressively into line with those of the rest of the population, under conditions of equal opportunities and treatment” (ESC, 2002: 1).

Academic analyst Penninx R., (2003, [online] Available at: <http://www.migrationpolicy.org>) defines integration as “the process by which immigrants become accepted into society, both as individuals and as groups”. This definition gives a special determinant role to the host society in the sense of development of institutional contexts and local policies that favors the concentration of regional social capital (Baldwin-Edwards, 2005).

As it has been mentioned, social integration is a multi-dimensional process. Nevertheless, some basic characteristics that affect integration can be identified. Social integration is not a short process. It is a long lasting phenomenon. As the state of immigration is a new situation both for immigrants and the host society, the acquaintance with new ways and interactions requests a learning process. Learning process takes time. As a result, time is a basic dimension of social integration as this integration can last from the lifetime of an immigrant until three generations (INTPOL, 2006). In addition, space is another crucial factor of integration both as “physical space” and social system that affect the four basic forms of integration (acculturation, placement, interaction and identification). In interactive integration, space is seen through the opportunities given in certain contexts for social transactions and relations (INTPOL, 2006).

Taking into account the above definitions, the essay sees the social integration of the immigrants as a part of the social capital theory.

2.2 IMMIGRANT ENTREPRENEURSHIP AS A FACTOR OF SOCIAL INTEGRATION

In economics there are several explanations that describe the reasons of why individuals or large groups of individuals decide to migrate. According to the neoclassical economics, the macro-theory presents sources of international migration. It emphasizes on the differences existing in the labor market concerning the wages between the sending and receiving country. As far as the micro-theory is concerned, rational individuals decide to

migrate having calculated the costs and benefits and come to the conclusion that have positive net return from movement (Borjas, 1990).

It could be said that migration is a mechanism for reducing spatial income differences, from a standard neoclassical framework (McCann, 2001). However, there is opposition to the standard growth model with regard to the importance of immigrant's characteristics such as the age, entrepreneurship and skills. These characteristics in addition with their impact on aggregate demand may have enhancing effects particularly in an agglomerated economy (Longhi et al, 2008). The meaning is that in terms of aggregate demand and economy of scale, the regions that lose population through migration may face economic recession, and the regions that gain population through migration may benefit from an expansion effect on output, employment and income.

Human capital theory explains the contributions of immigrants to the economic growth due to the fact that many immigrants are high-skilled and educated. This fact generates spillover effects which increase the productivity of capital and the economy growth (Lucas, 1988). Furthermore, many of these high-skilled immigrants managed to become entrepreneurs in the host countries. Alongside with the recognition that entrepreneurship can play a significant role in economic growth and employment (Schumpeter 1934) enhanced the use of human capital theory.

A more relatively recent theory lies in the field of economic sociology. This theory, named social capital theory, finds value not only in the economic activities but also in the development of social networks and structures. Moreover, it considers that the development of social networks and relationships can bring profits and benefits in multi-level sectors, like the economy, culture, Science and the society overall. As far as the immigrants are concerned, recent forms of social capital examine the correlation of their economic behavior and possible entrepreneurial potential with the existence or of specific social networks and vice versa.

The theories of immigrant enclave (Portes and Manning, 2008) and embeddedness (Granovetter, 1985) approach the immigration from a different way from the neoclassical market-oriented approach and focus mostly on the social capital theory (Bourdieu, 1986; Coleman, 1988). For Bourdieu, the way that different groups shape and preserve their status in the society, is not explained strictly from the economy. Bourdieu (Bourdieu and Wacquant, 1992: 119) defines social capital as follows: "*Social capital is the sum of the*

resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition". Except from his view of social capital, Bourdieu is also known for his contribution to the cultural capital theory. Coleman (1988: 98) defines social capital as "a variety of entities with two characteristics in common: They all consist of some aspect of social structures, and they facilitate actions within that structure". Additionally, Coleman compares social with the material and human capitals and finds that the difference lies on the intangibility of the social capital as "it inheres in the structure of relations within which purposive action takes place" (Portes and Sensenbrenner, 1993: 1322).

Portes and Sensenbrenner (1993: 1323) redefine social capital as "those expectations for action within a collectivity that affect the economic goals and goal-seeking behavior of its members, even if these expectations are not oriented toward the economic sphere". Additionally, they refer to four sources of social capital, "value introjection, reciprocity exchanges, bounded solidarity and enforceable trust". According to the same authors, the element of enforceable trust is crucial for Weber's analysis of substantive rationality in economic transactions. This analysis leads to the theoretical aspect of *embeddedness* as membership in certain group goals lead to the development economic behavior. This fact finds its application in ethnic entrepreneurship as membership in certain social networks may not insure social benefits but may entail a pool of economic ones such as common suppliers, customers and kinship subsidies.

According to Robert Putnam (2000:19) the "core idea of social capital theory is that social networks have value". He defines social capital (1993:167) as "features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions". He, later (2000:19) enhances his definition by adding the following: "connections among individuals-social networks and the norms of reciprocity and trustworthiness that arise from them"

Considering the definition of the interactive social integration, it could be argued that the examination of its achievement lies in the field of social capital theory regardless of an individual's being an immigrant or not. The interaction with other individuals into specific societal contexts plays a determinant role in the development of an individual or groups in all the aspects (economic, educational, and political) of their life.

Social capital theory includes several forms and aspects. The social behavior of certain social groups like immigrants could be examined through these aspects. Putnam (2000) defines the dimensional nature of social capital. He distinguishes the forms of “bridging” and “bonding” social capital as the most important (Knudsen, B., Florida, R. and Rousseau, D. (2016). [online] Available at: http://www.creativeclass.com/rfcgdb/articles/Bridging_and_Bonding.pdf). He also defines “bridging” as outward-looking networks and connections among different kinds of people and “bonding” as in-ward-looking networks bringing together similar kinds of people. There are several definitions in contemporary literature. Iyer, Kitson and Toh (2005) mention that bonding social capital “links sameness and enables cooperation between groups such as networks and clubs”. Granovetter (1973, 1985) describes “bridging” social capital as “cross-cutting social ties” or “weak ties” meaning that it concerns relations across rather within groups and which are sparser than the relationships within bonding forms of social capital (Iyer, Kitson and Toh, 2005). The form of “bonding” social capital has been seen in literature as a more negative side of the social capital. This view finds its meaning in the fact that despite the positive effects that bonding forms have for the members of the social group, the society as a whole has losses (Beugelsdijk and Smulders, 2003). This is because the concept of the social capital is often linked with trust. The trust in “bonding” social capital is limited in the members of the specific group hindering the transactions with the rest social groups and individuals in different levels of economy, culture and social integration.

Portes and Manning (2008) present the immigrant enclave as a sociological form of adaptation of the immigrants in the host society. The immigrant enclave finds its application in the ethnic entrepreneurship and in this case ethnic bonding and solidarity are the basic characteristics. The enclave businesses had been used as a form of adaptation and survival of the immigrants in the receiving country especially for the mediate educated or professional experienced immigrants. The enclave enterprises had emerged as a necessity in order to the immigrants’ obtaining of informal sources of ventures, common labor pool and ethnic clientele and business information. For this reason, they are usually spatial concentrated especially in the early stages of their establishment.

Focusing particularly on the role of immigrant entrepreneurship, it could be said that its significance as a factor of social integration has been recently recognized in a more conscious way. Moreover, it has been recognized by international institutions as policy

aspect of social integration of the immigrants. Except from this fact, immigrant entrepreneurship can contribute to regional economic development and growth, to the enhancement of innovation and creativity by knowledge spillovers, cultural and social exchanges with the receiving countries.

In literature the terms immigrant entrepreneurship and ethnic entrepreneurship are in most cases identical. According to Waldinger et al (1990a), ethnic entrepreneurship is a “set of connections and regular patterns of interaction among people sharing common national background”. Nevertheless, there is difference between the term “immigrant” and “ethnic” entrepreneurship. The term “immigrant” refers to individuals or group of individuals that have immigrated in relatively recent past decades while the term “ethnic” refers to ethnic minority groups that may be located in a country for centuries (Volery, 2007). As it is obvious the “ethnic” term does not exclude the “immigrant” one but the opposite is not true. The main focus of this essay is the immigrant entrepreneurship without excluding references to characteristics of the ethnic one, especially when these characteristics match to each other. The characteristics affecting immigrant entrepreneurship are difficult to be defined in a more permanent way as field research has found that these differs from country to country, from region to region, from city to city. Additionally, the personal characteristics of the immigrants as mentioned before in this essay may affect their entrepreneurial potential. Researchers (Kloosterman, 2000; Hermes and Leicht, 2010) argue that comparative analysis among different countries can bring to the surface crucial conclusions about the immigrant entrepreneurship. Nevertheless, the comparative studies refer to limited number of countries and exclude cross-national analysis. This is due to the different views and immigration histories of each country as well as the non-existence of “comparable indicators” for approaching the various characteristics of immigrant entrepreneurship (Hermes and Leicht, 2010). Specifically, Kloosterman (2000) argues that the characteristics of immigrant entrepreneurship depend on the institutional framework of each state and the welfare status of each country. Kloosterman argues that the motivation for immigrant entrepreneurship depends on the situation of the labor market and the opportunities in it. As far as the success of the immigrant businesses concerns, this “depends strongly on the size of the markets that support these specific kinds of firms”. Thus immigrant entrepreneurship is confronted as a *good* on a market and its route depends on the supply and demand side. Volery (2007) mentions two basic models of ethnic entrepreneurship

development, the interactive model given by Waldinger et al (1990) and the mixed embeddedness model. Waldinger et al (1990) through the interactive model argue that the success of ethnic entrepreneurship depends on a system of interaction between “opportunity structures and group characteristics”. As “opportunity structures” are described the market conditions and the margins existed for “access to business ownership”. The appearance of ethnic entrepreneurship comes from the necessity of the immigrant community for covering certain needs and preferences. The issue is whether market conditions facilitate the development of enterprises covering ethnic needs with a specific co-ethnic clientele and limited margins for development or whether market conditions facilitate the immigrant enterprises that can serve the native population as well. Even if the latter case is true, the problem of the access of business ownership of the immigrants still exists, taking into consideration that the native entrepreneurs have the control of this access. The “group characteristics” consist of the “predisposing factors” and the “resource mobilization”.

The “predisposing factors” refer to the characteristics of the immigrants shaped by the impediments that they confront in the labor market due to the inadequate knowledge of the host country’s language, unsuitable skills or discrimination. The immigration itself is a self-selective process that promotes the most determinant characteristics of the immigrants for achievement and survival in a new society. The aspiration for a better standard living gives emphasis on the choice of the immigrants for small-sized enterprises like groceries and or mini stores. Additionally, native small-scale businesses that are in decline due to market competition are replaced by immigrant owners depending on the analogous clientele, usually consisting of co-ethnics. These businesses are called “vacancy-chain” businesses (Kloosterman, 2000).

The “resource mobilization” refers to the existence of ethnic social networks. The strength of the social networks of individuals that share the same national background and immigration experiences may be of great importance for the establishment of immigrant businesses as it gives solutions where the formal native institutional contexts cannot. The “government policies” are included in the “resource mobilization” from the aspect of the characteristics of the host country towards the immigrant entrepreneurship. This system of the interactions just described leads to the creation of “ethnic strategies”

The mixed embeddedness model goes the previous analysis steps further. It focuses on the role of the local economy in the interaction between “opportunity structures” and “group characteristics” (Volery, 2007). Moreover, this model emphasized on the role of locality presenting spatial differentiations among the same immigrant groups and differentiations among different immigrant groups in the same economic environment (Razin and Light, 1998).

2.3 CASE STUDIES ON IMMIGRANT ENTREPRENEURSHIP

2.3.1 USA AND EUROPE

Most of the research work about the social integration and entrepreneurship has been carried out in the United States of America (U.S.A). That is explainable as U.S.A has a long history as a receiving country of million immigrants. The above field has a great range as U.S.A has offered opportunities both for the establishment of small and medium-sized immigrant entrepreneurship and the entrepreneurship that led to successful clusters like the Silicon Valley cluster.

Saxenian (1999) examined the route of Asian and Indian highly-skilled engineers and scientists of Silicon Valley and their transformation from employees to founders and owners of high tech companies during the 1980s and 1990s. Specifically, she found out that 25% of Silicon Valley’s technology businesses were run by Chinese and Indian engineers by 1998. Most of these engineers was immigrants that arrived in the United States after 1970 to attend graduate studies. The companies accounted collectively for more than \$16, 8 billion in sales and 58,282 jobs (rating 17% and 14% of the total sales and jobs respectively). This process has created and developed except from economic networks, social networks and institutions as the Asian communities have been organized in order to facilitate not only the flows of venture capitals and investments but also to mentor and to potential investors from the same immigrant community. Diffusion of information and transmission of technical know-how have come as results of this process. Saxenian used the method of collection of personal interviews of more than 100 exhaustive interviews with engineers, entrepreneurs, venture capitalists, policy makers and other key actors in Silicon Valley from January 1997 to January 1998. She additionally interviewed during May 1997, 67 national policy makers representatives of technology businesses from Taiwan and India. The data were also taken from different

databases of 1990 US census concerning the immigrant's education, occupations and earnings. She also used data from the Dun & Bradstreet database of 11.443 high-technology firms founded in Silicon Valley between 1980 and 1988. Although the researching work of Saxenian is significant for the primary results that provides, Saxenian states that the data collected by the moment were outdated and the significance of the results may have been underestimated.

Additionally, Saxenian (2002) enhanced the previous research by examining the creation of social and professional networks by the Taiwan-born and Indian-born entrepreneurs in order to support U.S ventures. The findings suggested that local institutions and social networks within ethnic communities are more important to entrepreneurial behavior than are national or individual characteristics. Noticeable is the fact that despite the numerous and significant transactions in multilevel scale with the U.S.A (U.S.A innovation system, national economic and political system), the immigrants have preserved and enlarge their social institutions. According to the results the first-generation immigrants to Silicon Valley appeared to be active entrepreneurs. The 52% of the survey's foreign-born scientists and engineers had been involved in founding or running a start-up company either full-time or part-time. The 60% of the respondents were of Indian origin, 51% of Taiwanese origin and 32% of Chinese origin. The analysis showed correlation of the involvement in founding or running a start-up with age, gender and business education. According to Saxenian "entrepreneurship may be both a cause and a consequence of associational activity" (Saxenian, 2002:14). The associations surveyed, provided services and programs fostering entrepreneurship like The Indus Entrepreneur for which these services processed central role. The results also suggested that the requirement of access to external sources of information when starting a high-technology business was covered by the attendance to associational activities. The 67% of foreign-born respondents ranked "business associates" as a very important source of information. Another important result of this survey was that half of Silicon Valley's foreign-born entrepreneurs had set-up subsidiaries, joint ventures, subcontracting or other operations in their native countries. This survey added new data in the previous work of Saxenian in Silicon Valley's immigrant entrepreneurs such as the contribution of social networks in the development of the entrepreneurial activity and the global dimension of entrepreneurship through the creation of networks and ties between the receiving and sending countries. Saxenian

carried out a web-based survey questionnaire. The advantage of this method was the ability to reach sub-groups of the survey population and different categories of the respondents referring to the ethnicity, founders of companies and the fact of having business relations to their native countries. Problematic was the fact of the sampling approach (sample drawn from the memberships of 17 leading immigrant professional associations in Silicon Valley) that appeared lack of all the foreign-born in the region and the randomness of the sample was not so sure.

Portes and Manning (2008) give the empirical examples of the Jewish community in Manhattan and the Japanese one on the West Coast as past confirmation of the immigrant enclave theory and as more contemporary examples those of the installation of the Koreans' community in Los Angeles and of Cubans in Miami. According to the authors, the two major waves of Jewish immigration in 1840 -1870 and in 1870-1914 of German and Russian origin respectively had significant differences but also similarities concerning their economic and social integration. Both German-Jewish and Russian-Jewish immigrants achieved to become successful entrepreneurs in the sectors of retail, services, industry and finance. The key factor for this success was the creation of social associations from charitable ones to educational, civic and financial. This way the second wave of Jewish immigrants managed to integrate socially despite their lack of education and professional experience in comparison with the first wave. Also the Russian-Jewish immigrants were characterized for their spatial concentration in a densely populated urban area in Eastern Manhattan. The Japanese immigration despite the different features from the Jewish one had followed similar social integration patterns. The Japanese immigrants were not so residential concentrated but geographically clustered. Almost two-thirds of the 111,010 Japanese reported in the U.S. Census of 1920 lived in California. Further, one-third of California's Japanese residents lived in Los Angeles County in 1940, while another one-third lived in six nearby counties. The Japanese were confronted with hostility from the native society because of its rapid transformation from cheap agricultural labor force to successful owners of farms, fisheries, lunch counters and small shops in general that promoted the Japanese-made production. This ascending of Japanese social status and economic success were prior to the social cohesion of their community, the preservation of national identity and values. The more recent example of the Korean community (1965-1975) highlights a self-sustaining entrepreneurial class based on extended kinship, friendship and social networks. Additionally, the equal recent

example of Cubans in Miami shows that the Cuban-owned enterprises present high levels of interdependence and internal labor sourcing especially in manufacturing and construction firms (Wilson and Martin, 1982 cited in Portes and Manning, 2008). The constant emigration of Cubans due to political causes during 1960-1970 assured ethnic clientele and ethnic labor force.

A unanimous trend about the immigrant integration and entrepreneurship is hardly located in the European contexts. This has to do with the different economic and social status of each European Union member as well as the different historical immigration background of each country. These differences of course are resulting from the constant problem of the cohesion of the European Union in all the vital sectors of its existence.

The different patterns of the immigrant integration policies are based on the specific system of values of each country in reference with the issue of citizenship attribution. According to Baldwin-Edwards (2005), France can be seen as the “assimilationist” nation state, the United Kingdom as “tolerant of ethnic minorities” and Germany as the “temporary guest worker” state.

Taking into consideration the above situation, the examination of immigrant entrepreneurship in the European Union is definitely a complex and difficult issue. There is not such an extensive empirical evidence and research in the contemporary literature as in the United States of America and reliable data are even harder to be found.

Hermes and Leicht (2010) examine the significance of immigrant entrepreneurship, the occupational and industrial orientation of self-employed immigrants and the opportunities given to them on ten selected European countries. The authors use micro data from the European Labor Force Survey (EU-LFS, 2005). The data refer to European Union of fifteen countries and according to the authors are inadequate as reflect only the use of “ethnic resources” and not the institutional framework of each country. The results reveal interesting geographical patterns in the entrepreneurial activities of the immigrants. More specifically, there is clear distinction between southern and north-western countries. Immigrants are more likely to be self-employed in northern, central and eastern European countries compared to the native population, while native southern Europeans have higher self-employment rates than immigrants. In the specific survey, Greek natives are self-employed in a rate of 27% while immigrants’ rate reaches only the 9%. The possession of the European Union citizenship or not seems to play a significant role in all under

examination countries. The European Union immigrants are more privileged than the Not ones in all the countries. The results of the survey implicitly indicate that the regional development of each country concerning the industrial, educational and institutional orientation affect the entrepreneurial potential of the immigrants and their social development.

Germany's report in the European Migration Network (2005) examining the impact of immigration on the German society, recognizes the significance of the immigrant entrepreneurship. The immigrant enterprises especially the successful ones can create jobs for both other immigrants and natives. According to the report, there were over 263.000 self-employed foreigners in Germany in 1999, who were estimated to be responsible for the creation of some 780,000 job. Moreover, the majority of the immigrant entrepreneurs claimed to employ mostly their co-ethnics and relatives. It could be concluded that immigrants established their own businesses, not only created additional wealth for the native economy, but also found a way to surpass any obstacles in the labor market due to discriminative behavior, or poor knowledge of the native language or access to relevant social networks. From a geographical point of view, immigrant entrepreneurs can revive streets and neighborhoods that are "underestimated" by the local society and institutions contributing to urban restoration. The report estimated at that time that the Turkish minority is the most likely to grow its entrepreneurial activity since it has a strong presence in the German society during the last twenty years.

It is obviously that further research on the immigrants' entrepreneurship and its contribution on their social integration come as a necessity. The difficulty of the finding of updated data is going to be augmented. The recent phenomenon of large influxes of refugees from war conflict countries like Syria and Afghanistan in the European territory will rapidly change the existing situation with serious impact on the economic and definitely the social environment.

2.3.2 GREECE AND THE CITY OF VOLOS

Greece confronts the same problem existing at the rest European countries. Although there is a rapid augmentation of the immigrant inflows in Greece and especially in the large urban centers of Athens and Thessaloniki, there are relatively few or non-existent surveys that examine the immigrant entrepreneurship as an indicator of social integration in the host society. As it is mentioned above in this essay, social integration through

specific indicators and aspects of social capital is difficult to be reliably measured. Consequently, the surveys existing usually examine the characteristics of the immigrant entrepreneurship and the factors influencing it. The surveys subsequently presented refer to the factors affecting the immigrant entrepreneurship in Greece and describe the characteristics having formed so far. Only few surveys refer to the entrepreneurship as a factor of social integration and that in a general descriptive way, without deepening in forms of specific social interactions in specific local contexts.

Bella, Papadopoulos, Karasavvoglou and Arampatzis (2014) examine the factors influencing the successful entrepreneurship of immigrants taking as fields of examination the cities of Kavala and Drama. Specifically, the survey tries to investigate the relationship between demographic data and motivation of immigrant entrepreneurs with the perceived course of their businesses. The researchers collected data through questionnaires answered by 62 immigrants of both the cities, owning various types of businesses. The questionnaire consisted of 85 questions divided into five themes: *demographic data, institutional support for entrepreneurship, motives for entrepreneurship, and difficulties in entrepreneurship and perception for the course of business*. The results were checked by an Exploratory Factor Analysis. The conclusions of the analysis indicate that if the motive of the immigrants for entrepreneurial activity is strong, the economic and social obstacles will be surpassed. Undoubtedly, the institutional support favors the above direction, but it does not play a determinant role. The specific survey uses the successful immigrant entrepreneurship as the variable affected by economic, demographic and social status of the immigrants as well as the institutional contexts applied in the cities examined.

Baldwin-Edwards (2005) examines the integration of immigrants in Athens. Specifically, he develops indicators and statistical measures in order to approach this multi-level theme. Moreover, he proposes a temporal hierarchy of integration issues named “Stages of Integration”. The Stage 1 contains residence and employment, the Stage 2 contains family grouping and settlement, the Stage 3 contains the formation of ethnic communities and/or assimilation. According to the survey, employment is considered an important indicator of immigrant integration not only for financial but also for social reasons. In these contexts, self-employment or ethnic entrepreneurship is an important strategy of integration but the available data are limited especially for Greece.

Kolios N. [(2004) cited in Baldwin-Edwards, 2005] examining an area of Central Athens found out a variety of ethnic businesses with different nationalities. Specifically, he found out Nigerian, Armenian/Lebanese, Kurdish, Sudanese, Egyptian, Iraqi, Syrian, Indian, Pakistani, and Bangladeshi and Chinese businesses. The majority of these businesses were Chinese. Kolios interviewed 20 ethnic enterprises with 15 owners. He concluded that the majority of them established after the 1998 legislation change that gave the opportunity to immigrants processing the “Green Card” to be self-employed. Before this legal change, the existing enterprises were co-established with Greeks or based on bilateral migration agreements or gaps in their legal coverage. The capital ventures were found mostly from the savings of the later dependent employment. Loans from friends, relatives or ethnic associations in Greece were not a usual phenomenon. The entrepreneurial activity of these businesses was developing in the native mainstream economy and links with co-ethnics were limited. Moreover, there was not a specific evidence of ethnic economy developing, neither with the form of bonding with other immigrant entrepreneurs or the formation of exclusive ethnic clientele.

Hatziprokopiou P., (2008) examines the institutional contexts and immigration policy in Greece that affects the immigrant entrepreneurship. The institutional framework for immigrants’ integration could be characterized as exclusionary especially at early 90’s where the first vast immigrants’ inflows specifically from Albania were recorded. Hatziprokopiou notices that immigrants of ethnic Greek origin were included in a privileged integration scheme contrary to the rest immigrant groups for political and diplomatic reasons of the Greek State. Ethnic Greeks from the former USSR have received special grants for their labor market integration that helped them to establish a business. In 2001(Law 2910/2001) there has been a change in the institutional framework that made a distinction between the immigrants that provide “dependent employment” and those that carry out “independent economic activity”. The data by the 2001 Census pointed out that nearly the 91% of the immigrants were in dependent employment and only the less of 3% were employers. Taking into consideration the fact that 56.6% of the immigrants were economically active compared to 41, 1% of Greeks, it could be concluded that the Greek institutional framework hinders the immigrant entrepreneurial activity.

The consolidation of the right to legal residence seems to be the foremost and necessary right in order the immigrants to consolidate other rights in their lives, in occupational and

social sector (Varouxi and Sarris, 2012). The mass influxes of immigration in Greece taken place during the last twenty years promoted the adoption and implementation of specific legislative framework orientated to immigration. This framework has focused on the entry, residence and social integration of immigrants from non European countries in Greece. The Law 3386/2005 was one of the most basic laws of this orientation taking into consideration the European directions and legislations in a common European target for immigration policies (Sarris, 2012). Nevertheless, great delays and bureaucratic problems made the implementation of this law less useful (Sarris, 2008). Moreover, the dependent employment is a prerequisite for the immigrants considering self-employment. Specifically, residence permits for the immigrants that want to develop “Independent Services and Projects” (ISP) had been applied only after having permit of one-year dependent employment (Hatziprokopiou P., 2008). The Law 3356/2007 came to correct the previous problems and to alter the conditions for the acquisition of the residence permits independent of time limits after the passing of ten years since the immigrants’ legally staying in Greece. The Law 3838/2010 is of particular significance as it brought changes to the procedure necessary for the acquisition of Greek citizenship, the recognition of civil rights to immigrants and the naturalization procedure (Sarris N., 2012). The responsibility for carrying out the implementation of the procedure was transferred from municipalities to the administration of the Greek Peripheries. The latest evolution of the previous law is the Law 4332/2015 that changes further the procedure for the acquisition of the citizenship for the “second-generation” immigrants. There are two basic conditions for this acquisition: the enrollment of the child at the first class of the Primary education and the constant five-year legal residence in Greece of one of the immigrant parents before the child’s birth. The second one is the already constant legal residence of the parent reaching the ten years. Simultaneously, the law recognizes full labor rights to immigrant of non European Union countries that legally entry the country for seasonal employment¹.

Discussing the local contexts, Volos has been seen as a receiving city through history. The geography of the city enhanced the arrival of immigrants. Volos is a coastal port city situated midway on the Greek mainland and it is the only exit to the sea from Thessaly. A large influx of refugees from Ionia, Pontus, Cappadocia and Eastern Thrace took place in 1920’s (Volos, [online] Available at: <https://en.wikipedia.org/wiki/Volos>). Nea Ionia,

¹ See LAW 4332/15 (ΦΕΚ Α76/9-7-2015)

a whole area in the municipality of Volos since 2011 and former municipality in Magnesia, was founded at the borders of Volos from these refugees and was seen from the local society until recent years as an immigrant area where less privileged layers of society gather.

Examining the phenomenon of immigrant entrepreneurship in the city of Volos, no precedent similar research work has been found. Nevertheless, there has been research work for the residential preferences of the immigrants in the city of Volos.

Arvanitidis and Skouras (2008) examine the residential preferences of the immigrants in the medium-sized city of Volos. The researchers appose different spatial patterns through which the immigrants choose their housing preferences. More specifically, there is examination of the existence or not of segregation of immigrants in specific intra-urban areas. The models of spatial assimilation, place stratification and residential preference existing in the international literature give different interpretations for the immigrants' concentration in certain areas. The basic factors are undoubtedly economic and social ones. The immigrants cluster to neighborhoods where they can benefit from the social networks with co-ethnics and relatives and where there is supply of low-cost housing. In some cases, immigrants prefer to preserve the advantages of the social networks from relocating to more economically advantageous areas. Nevertheless, there is the possibility the host society to impose or indicate the location for immigrants to settle. This leads to the exclusion of the immigrants and reflects the natives' social perception of the immigrants' social status.

The researchers used the enrollments of the immigrants' children (8, 07% of the total 5.232 enrollments for the year 2006-07) in the primary education assuming that the residential patterns of the immigrants would be reflected onto these data. The results of the survey showed that the immigrants living in Volos are dispersed in almost all the urban neighborhoods and there no clear ethnic enclaves. According to the researchers, this residential pattern is familiar with those followed in Athens and Thessaloniki. The economic factors are predominant on the immigrants' locational behavior without underestimating the importance of the social ones.

2.4 HYPOTHESES

In order to examine the possibility of the entrepreneurship's affecting the social integration of the immigrants in the city of Volos, two basic hypotheses have been developed taking into consideration the literature previously presented as well as the existing empirical evidence of case studies. Furthermore, these hypotheses are additionally documented by more specifically literature views as well as the particular survey by the information given by the immigrants themselves.

Hypothesis 1. The entrepreneurship of the immigrants can develop bridging or bonding forms of social capital. In this way, the entrepreneurship is likely to affect the process of the immigrants' social integration.

Eraydin A., Tasan-Kok T., Vranken J. (2010:522) argue that entrepreneurship "*is a form of inclusion as it increases interdependence and participation*". According to the authors, entrepreneurship increases the social exchanges among different ethnic groups contributing to urban social cohesion. They came to this conclusion after examining the Turkish businesses in Antwerp. Specifically, after interviewing long-experienced Turkish entrepreneurs, they found out that these Turkish entrepreneurs in order to secure long-term profit for their businesses, relocated from traditionally Turkish concentrated neighborhoods to non-immigrant neighborhoods. This fact enhanced the interaction between the Turkish and the native Belgians. In other words, the advancement of the entrepreneurial activity of Turkish immigrants resulted in the augmentation of participation of these immigrants in the host society. Moreover, the immigrants in order to surpass the difficulties of unemployment in different local economies turn into entrepreneurship. In this process they depend on social capital, either on bonding social capital exploiting the family of friendship networks and economic support, or developing bridging social capital with the natives.

Thinking the difficulties of being an immigrant, it is expected to consider that the primary social networks of the immigrants would be exclusively on ethnic terms without the participation or interaction with individuals outside the ethnic group. Nevertheless, during the process of their entrepreneurial capacity, immigrant entrepreneurs are likely to develop mixed and combined networks consisting of co-ethnics, other immigrant groups and native people. These networks are likely to change through the time and become denser or sparser. At this point, one of the basic dimensions of social integration, time,

helps the formation of the social transactions. Moreover, social relations may expand to a different spatial level and develop multi-directed forms (Rath J., 2011).

Hypothesis 2. The second hypothesis has to do with the role of the city in the immigrants' decision and motivation for entrepreneurship and process of social integration. Specifically, it is examined whether the geography of Volos or other local characteristics matter.

The reasons leading to this Hypothesis can be explained from different approaches in the international literature. Rekers and Van Kempen (2000) examining the ethnic entrepreneurship argue that locality matters. Specifically, they argue that there are plenty actors affecting ethnic entrepreneurship but the spatial approach and especially the urban contexts are of the most determinant ones. The local economic developments, local population changes and urban environment affect the spatial contexts and specifically the opportunities for ethnic entrepreneurs in given urban contexts. The mixed embeddedness model describing the immigrant entrepreneurship enhances the significance of the role of locality as it interprets the spatial variations among same immigrant groups or variations of different immigrant groups in the same economic environment.

Tselios et al (2014) argue that local and neighboring effects affect the social integration of the immigrants. Specifically, the residential status of the immigrants, the existence of concentration or not in specific urban, suburban and neighboring localities can create spillover effects with certain results in the social integration of the ethnicities in the host society. The authors go the empirical evidence of the spatial effects on social integration steps further from the already existed studies. Specifically, examining through a multilevel model analysis, the aspects of bridging social capital of the immigrant groups in Netherlands, they found out that not only neighborhoods or municipalities as independent spatial entities affect the immigrant social integration, but also neighboring neighborhoods and municipalities. The ethnic concentration and economic development in specific spatial scales seem to affect the possibilities of interactions with the native population. Moreover, Tselios et al (2015), examine which "geographical" characteristics hinder or not "local social integration" and "for whom" these characteristics are important. The authors prove that geographical characteristics affect the local social integration through the examination of the main immigrant groups in Netherlands as well as the native population in spatial scales of neighborhood, neighboring neighborhoods

and neighboring municipalities. Factors such as ethnic concentration and poverty seems to hinder social integration in specific local scales and these factors affects occasionally in a stronger way the native population that the immigrant one. Additionally, the geographical characteristics affect differently the social integration process of different ethnic groups.

In the above cases, the other basic dimension of social integration, space, finds its application both as a physical space and as a social system of certain structures and opportunities.

3. METHODOLOGY

To undertake this study that sees immigrant entrepreneurship as an influence of immigrants' social integration, a mixed methodology is followed using both quantitative and qualitative analysis. Questionnaires have been distributed to immigrant-owned enterprises operating on the retail sector². The survey is also supplemented by the interview of the director of Local Chamber of Commerce, Mr. Voukoutos Konstantinos.³ Additionally, a very short interview has taken from representative of the department of "Urban status and Social Integration" of the Periphery of Thessaly about the responsibilities of the department⁴.

The population of the survey is taken by the official catalogue of the Local Chamber of Commerce having all the enterprises in the city of Volos. Nevertheless, there are some issues in the way that the data are registered from the chamber of commerce.

Firstly, the immigrant owners are selected by the way their names are registered (Latin characters) since these information are confidential personal data and cannot be presented by the Chamber. According to the director of the Chamber of Commerce, there is not any separate archive of immigrant-owned enterprises even for statistical reasons. Moreover, the registration has not specific chronological series as there are enterprises established from 1989 until 2015. The selection of the sector of the retail has been made due to the wider range of the enterprises belonging to this section (1229 enrollments in total). The course of the survey pointed out the necessity to use both formal and informal ways to locate the under examination population. This is due to the fact that the catalogue of the Chamber of Commerce is not updated. The financial crisis has led to the closure of many enterprises both of Greek and foreign origin. This situation is not imprinted on the catalogue. As a result of the above problems, the population of the study included also immigrant-owned enterprises operating in the restaurants' and services' sectors. Furthermore, the respondents themselves gave information for the enrichment of the under examination population. During a two-month period the questionnaires were dispersed in the city of Volos and Nea Ionia. As far as the questionnaire is concerned, it

² See APPENDIX A

³ See APPENDIX C

⁴ Addressing in departments of Periphery of Thessaly in Magnesia responsible for immigration policies was attempted but it was found out that these responsibilities were unconnected with immigrant entrepreneurship or other measures for social integration and were limited on registration processes of naturalization and citizenship.

is consisted of thirty-six questions separated to three categories. The first one refers to the Personal information about the respondents and consists of twelve questions. The second one refers to the General Information about the immigrant-owned business and consists of ten questions. Finally, the third category refers to the Social Environment Information and consists of thirteen questions⁵.

The mostly basic problem that occurred through the research period is the fact that many immigrant owners especially Chinese refused categorically to fill the questionnaire. Specifically, from the six Chinese-owned enterprises registered in the catalogue of the local chamber of commerce, only one Chinese owner participated in the survey. The reasons for this specific reaction must be examined taking into consideration the fact that the Chinese community possesses a noticeable amount of entrepreneurial activity, especially in clothing retail, both in Volos and Greece in general. One explanation is the fact that some of them did not speak or write Greek or even English. Another explanation may be the fact that many of the Chinese entrepreneurs did not want to fill the questionnaire due to their general behavior toward something or someone not familiar with them. According to Mr. Voukoutos view, Chinese have their own way in the entrepreneurial activity and it could be said that they act in a very “close” manner like a kind of ghetto. Some of them have tried to avoid the legal regulations about the taxation but this fact is definitely a personal choice and responsibility. Generally speaking, Chinese seems to have their own mentality and they are hardly approached. These are due to their entrepreneurial behavior described above or maybe due to their cultural background.⁶

Consequently, despite the fact the immigrant-owned enterprises registered are fifty-six, the questionnaires have been filled only by twenty-nine immigrant owners.

⁵ See APPENDIX A

⁶ See APPENDIX C

4. ANALYSIS

4.1 SAMPLING

The limited number of the filled questionnaires (29) has deterred the use of statistic analysis. Exploratory factor analysis would lead to more secure, complex and integrated results, if the under examination population was bigger. Nevertheless, the description of the percentages taken from the answers given shows some trends about the topics under examination. For better evaluation of the level of social integration of the immigrant entrepreneurs, it would be useful to compare it to the social behavior of the native entrepreneurs towards immigrants. Since the focus of this essay is from the immigrants' point of view, there is comparison among the different nationalities taken place to the survey so as to achieve some substantial conclusions. Specifically, the dominant nationality is the Albanian one (45%)⁷ and the following nationalities are of European origin (English 10%, Italian 10%, Romanian 7%, Polish 3%) and the last ones are of non European origin (Chinese 3%, Pakistani 7%, Lebanese 3%, Egyptian 3%, Serbian 3%, Mexican 3%)⁸. The prevalence of the Albanians is confirmed also by Mr. Voukoutos view mentioning that Albanians became the main factor characterizing the immigrant entrepreneurship in Greece⁹. The presentation of some personal characteristics of the immigrant entrepreneurs may contribute to the general conclusions of how these characteristics affect their social integration in the society of Volos. The survey showed that the majority of the entrepreneurs are women reaching the percentage of 52% while the men reach the 48%¹⁰. This is an interesting fact taking into consideration the ambiguous situation about the opportunities given for female entrepreneurship in general, let alone the immigrants' one. According to Kloosterman (2000), the dominant model in Europe describing the labor market, presents high levels of unemployment. The first to be excluded of the labor market are young people, women and immigrants. The prevailing age of the immigrants is between 36-45 years¹¹ that is quite a satisfactory age in terms of creativity and financial productivity. Noticeable is the fact that only the 3% is of age between 18-25 years raising questions about the future of the young people in this sector.

⁷ See APPENDIX B Figure 1

⁸ See APPENDIX B Figure 2

⁹ See APPENDIX C

¹⁰ See APPENDIX B Figure 3

¹¹ See APPENDIX B Figure 4

Positive is the fact that the 97% of the immigrants speaks Greek¹² and the 46% among them at excellent degree as the knowledge of the native language definitely helps in the achievement of social integration or is a sign of this situation¹³. The majority of the immigrants are graduates of Secondary education (52%) while a percentage of 31% are graduates of Tertiary education¹⁴. These levels of education have been obtained mostly in their countries of origin. Examining the family situation, the 83% of the immigrant entrepreneurs are married and only the 38% of them has a Greek husband or wife¹⁵. As far as the entrepreneurial activity is concerned, the majority of the immigrants are owners of grocery stores following by the entrepreneurs of the clothing retail and of trade of fruit and vegetables along with the owners of café and restaurants. There is dispersion in other activities without any specific concentration being noticed. The Albanians which is the largest group as it is mentioned in this survey are occupied mostly with the trade of fruit and vegetables and are owners of grocery stores, the entrepreneurs of non European Union origin are mostly owners of clothing retail stores and grocery stores and finally the entrepreneurs of European Union origin are mostly owners of restaurants and café/bars¹⁶.

4.2 TESTING HYPOTHESES

Before the thorough examination of the hypotheses, it would be useful to refer to the reasons that shaped the specific hypotheses except from the theoretical background developed previously in this essay. The reasons behind Hypotheses 1 and 2 come also from the answers given from the immigrant entrepreneurs themselves concerning the Personal Information and the General Information sections of the questionnaire¹⁷.

More specifically, the reasons leading to Hypothesis 1 or else the possibility of the entrepreneurship affecting the immigrants' social integration by developing bonding or bridging forms of social capital are given through the question why the immigrants chose the specific kind of business to establish. The majority of them answered that it was a matter of preference (55%), a percentage of 34% answered that it was suitable for their skills and only 3% answered that it was a family business¹⁸. It could be said that no form

¹² See APPENDIX B Figure 5

¹³ See APPENDIX B Figure 6

¹⁴ See APPENDIX B Figure 7

¹⁵ See APPENDIX B Figures 8&9

¹⁶ See APPENDIX B Figures 10a, 10b, 10c&10d

¹⁷ See APPENDIX A

¹⁸ See APPENDIX B Figure 11

of ethnic enclave is noticed at least at the entrepreneurial activity of the immigrants questioned. Consequently, their entrepreneurial activity is likely to develop other social relationships like bridging or bonding social capital. This fact could probably affect their social integration process. Furthermore, examining the frequency of the immigrant entrepreneurs' visiting their country of origin, the majority of them answered that they visit their home country once a year and mostly for personal reasons¹⁹. It could be assumed that these entrepreneurs are more socially integrated into the local environment.

The reasons connecting Hypothesis 1 with Hypothesis 2 has to do with the fact that the majority of the immigrants answered that they are absolutely satisfied from their decision to start a business in Volos while a very small percentage answered that it is a little satisfied from this decision²⁰. Moreover, the duration of the immigrants living in Volos is examined in comparison with the year of establishment of their businesses. The majority of the immigrant entrepreneurs live in Volos for a period of 10 years. The next period touches the period between 10 and 20 years²¹. It seems that the majority of the immigrants managed to start their business during a period of ten years since their living in Volos²². It could be assumed that the city of Volos influenced relatively positively this decision. This fact may be related to several reasons concerning the social and local environment of the city of Volos.

For better analysis of the findings, there is grouping of the nationalities into three basic categories since the population is small and some nationalities are represented by only one immigrant. These three categories are the Albanians as the dominant nationality, the nationalities of European Union origin and those of Non European origin.

4.2.1 HYPOTHESIS 1

The test of Hypothesis 1 is made through the examination of certain answers (Figure 1).

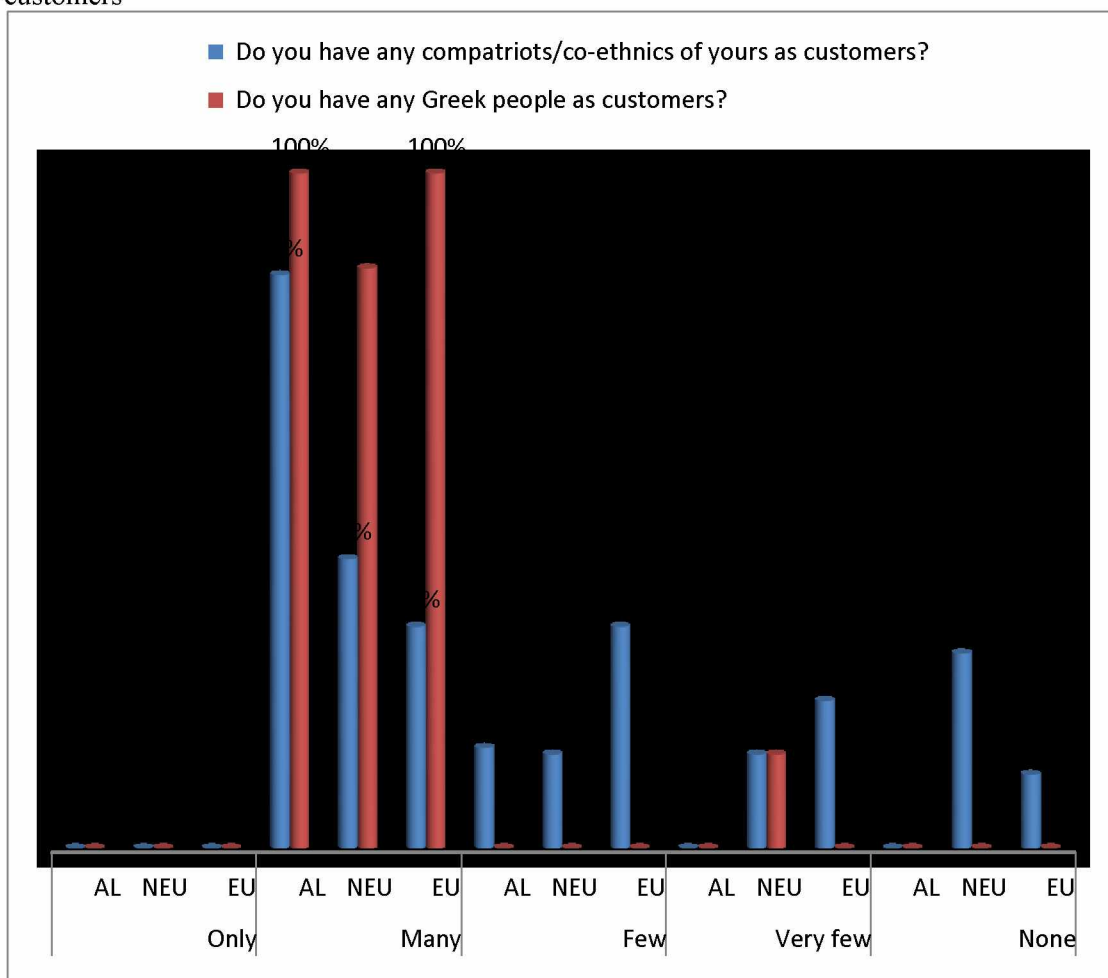
¹⁹ See APPENDIX B Figure 12

²⁰ See APPENDIX B Figure 13

²¹ See APPENDIX B Figure 14

²² See APPENDIX B Figures 15&16

Figure 1: Aspects of bonding and bridging social capital through entrepreneurship: the role of customers



Source: own elaboration

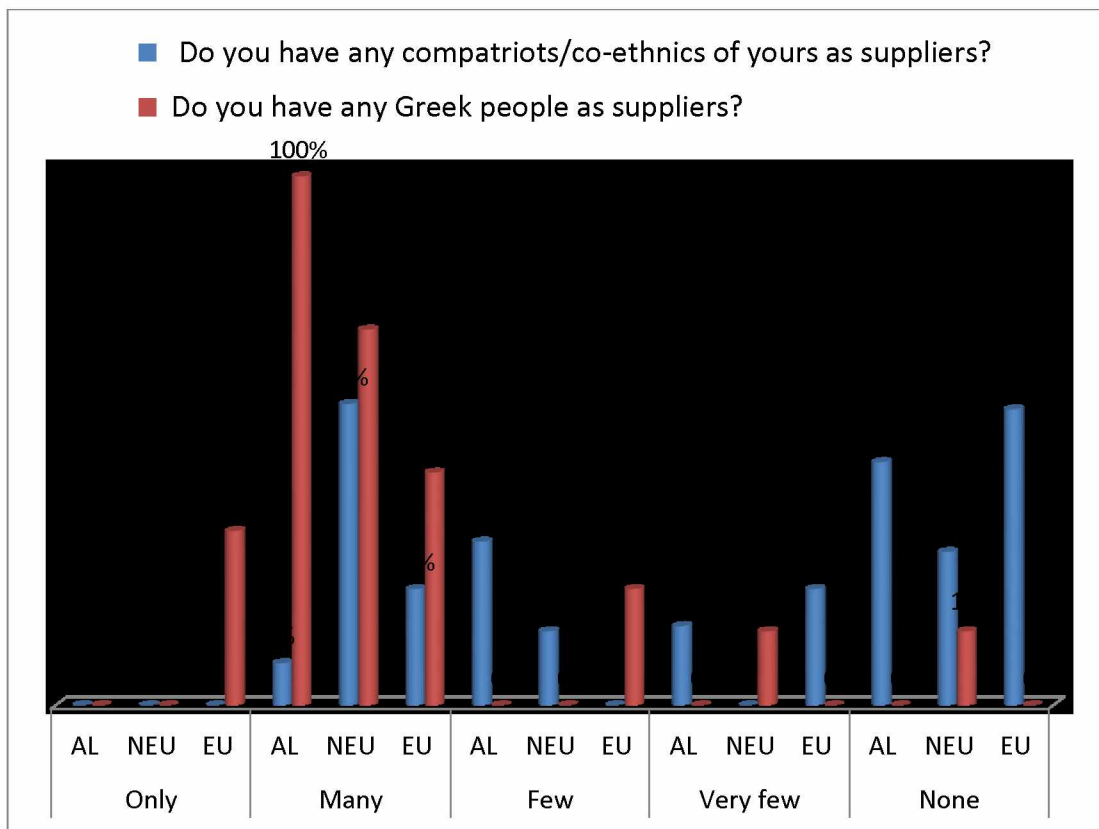
Figure 1 displays the everyday entrepreneurial transactions and specifically the clientele of the immigrant-owned businesses. As it is shown, Albanian entrepreneurs answered that they have many Greek customers at a percentage of 100% along with the entrepreneurs of European origin. The immigrants of non European origin have also a significant percentage of Greek customers but not as high as the other two categories. As far as the existence of clientele of compatriots or co-ethnics of the immigrant owners, the Albanians have also many of them touching the percentage of 85%, following by the non European origin owners. This may have to do with the history of the Albanian immigration influxes during the decade of 1990-2000 as main characteristic concerning immigration to Greece. Albanian immigration has transformed Greece to a receiving country of mass

immigration (Iosifides et al, 2007)²³. Taking into consideration the results concerning the clientele, it could be assumed that Albanians are more likely to develop bridging social capital without excluding the existence of bonding social capital. Immigrants of European Union origin seem also possible to have developed bridging social capital. In general, the level of forms of social capital (bridging and bonding) is estimated through a climax from 1 to 5 with the “many” answer indicating the existence of bridging or bonding social capital and consequently the level of social integration.

Examining the suppliers of the immigrant-owned businesses (Figure 2), it comes out that the immigrants of European Union origin have only Greek suppliers at a percentage of 33%, a 44% of them has many Greek suppliers while they do not have any compatriot/co-ethnic of theirs as supplier at a percentage of 56%. This fact may suggest that the immigrants of European Union origin are more socially integrated than the other two categories developing bridging social capital. Remarkable is the fact that Albanians answered in total that have many Greek suppliers. The pattern is almost the same with the clientele of the Albanian entrepreneurs at least as far as the bridging social capital is concerned. The immigrants of non European origin seem to preserve at some level forms of both bridging and bonding social capital (71% and 57% respectively).

Figure 2: Aspects of bonding and bridging social capital through entrepreneurship: the role of suppliers

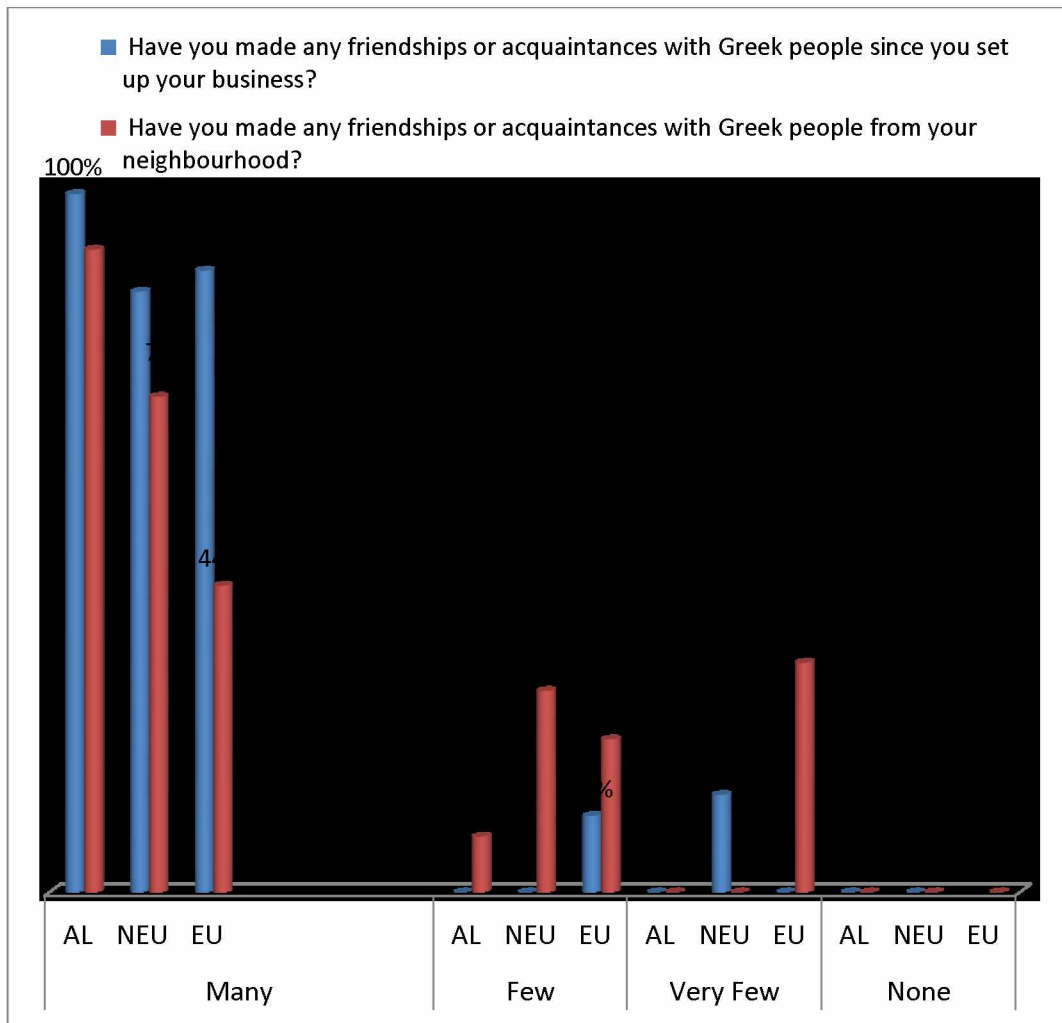
²³ See Iosifides, T, Lavrentiadou, M, Petracou, E, & Kontis, A (2007). *Forms of Social Capital and the Incorporation of Albanian Immigrants in Greece*, *Journal Of Ethnic & Migration Studies*, 33, 8, pp. 1343-1361



Source: own elaboration

Taking as environments of possible development or existence of forms of social capital, the immigrant businesses and the immigrants’ neighborhoods of residence, the questions of whether they have made acquaintances or friendships with natives since the establishment of their businesses or from their neighborhood were shaped. The fact that the businesses’ environment prevails in the examined three categories may be of some significance of the way that entrepreneurship affects the development of bridging social capital and the social integration process of the immigrants (Figure 3). It can be once again noticed that Albanians possess high percentages of acquaintances and friendships with natives both from their business environment and the neighborhood.

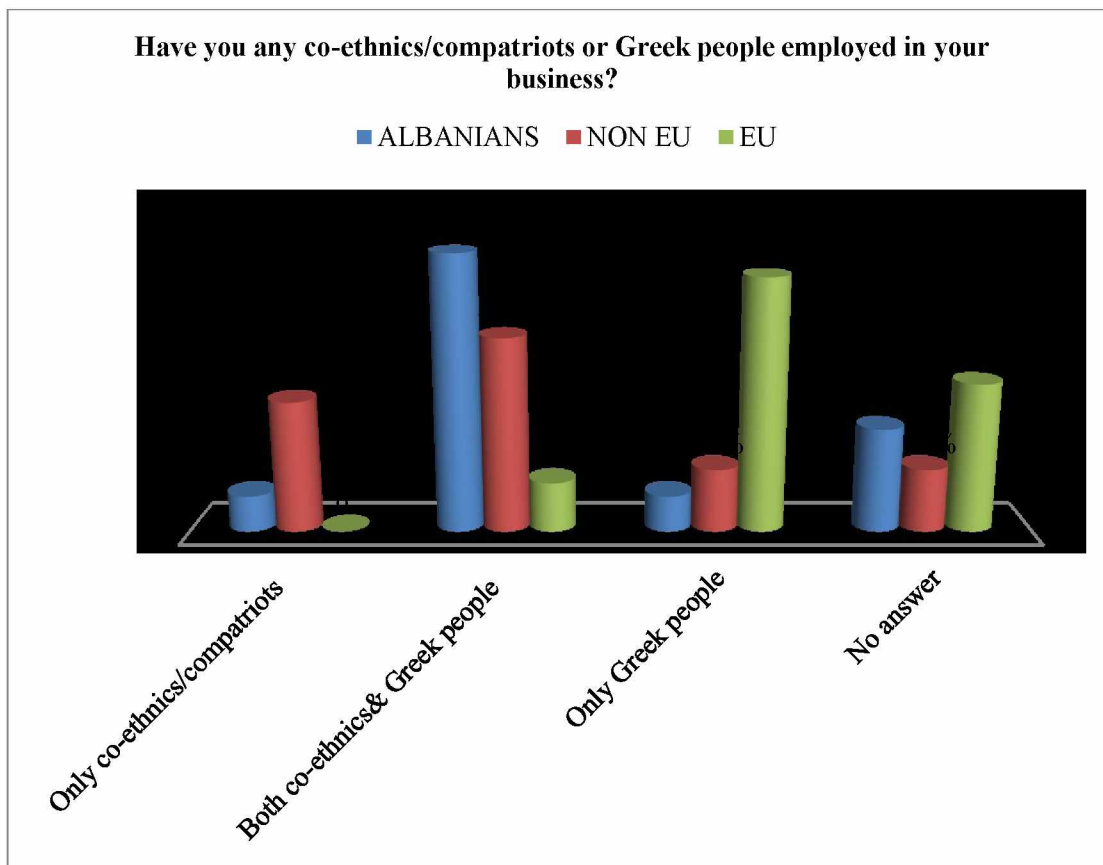
Figure 3: Creation of friendships or acquaintances with natives through business/ neighborhood



Source: own elaboration

Focusing on the entrepreneurial environment, there is examination of the working relationships in the immigrant-owned businesses. Specifically, it is examined if the immigrant owners hire for employees only Greek people, only compatriots/ co-ethnics or both (Figure 4).

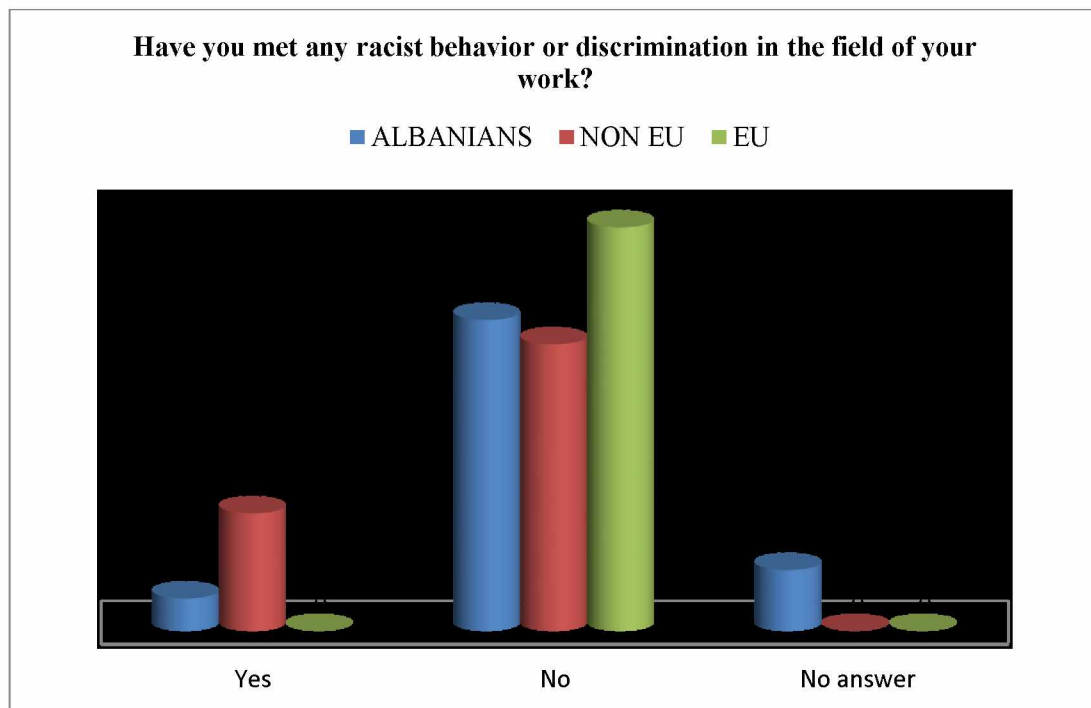
Figure 4: Composition of employees in immigrant businesses



Source: own elaboration

The Albanians entrepreneurs declared at a percentage of 61% that have as employees both compatriots/co-ethnics and natives while a percentage of 8% declared that has only compatriots/ co-ethnics as employees. This may be an indication of bridging social capital. Additionally, the entrepreneurs of non European origin declared at a percentage of 29% that has only compatriots/co-ethnics as employees showing that bonding social capital may exist in a greater level in comparison with the other two categories. Especially, from the entrepreneurs of European origin, no one answered that has only compatriots/co-ethnics as employees. On the contrary, the 56% of them answered that has only Greek people as employees. This fact may suggest that these entrepreneurs are more socially integrated than the others. Referring to those entrepreneurs who did not answer the question, the majority of them work at their own without having any employees.

Figure 5: Existence of racist behavior or discrimination in the working environment



Source: own elaboration

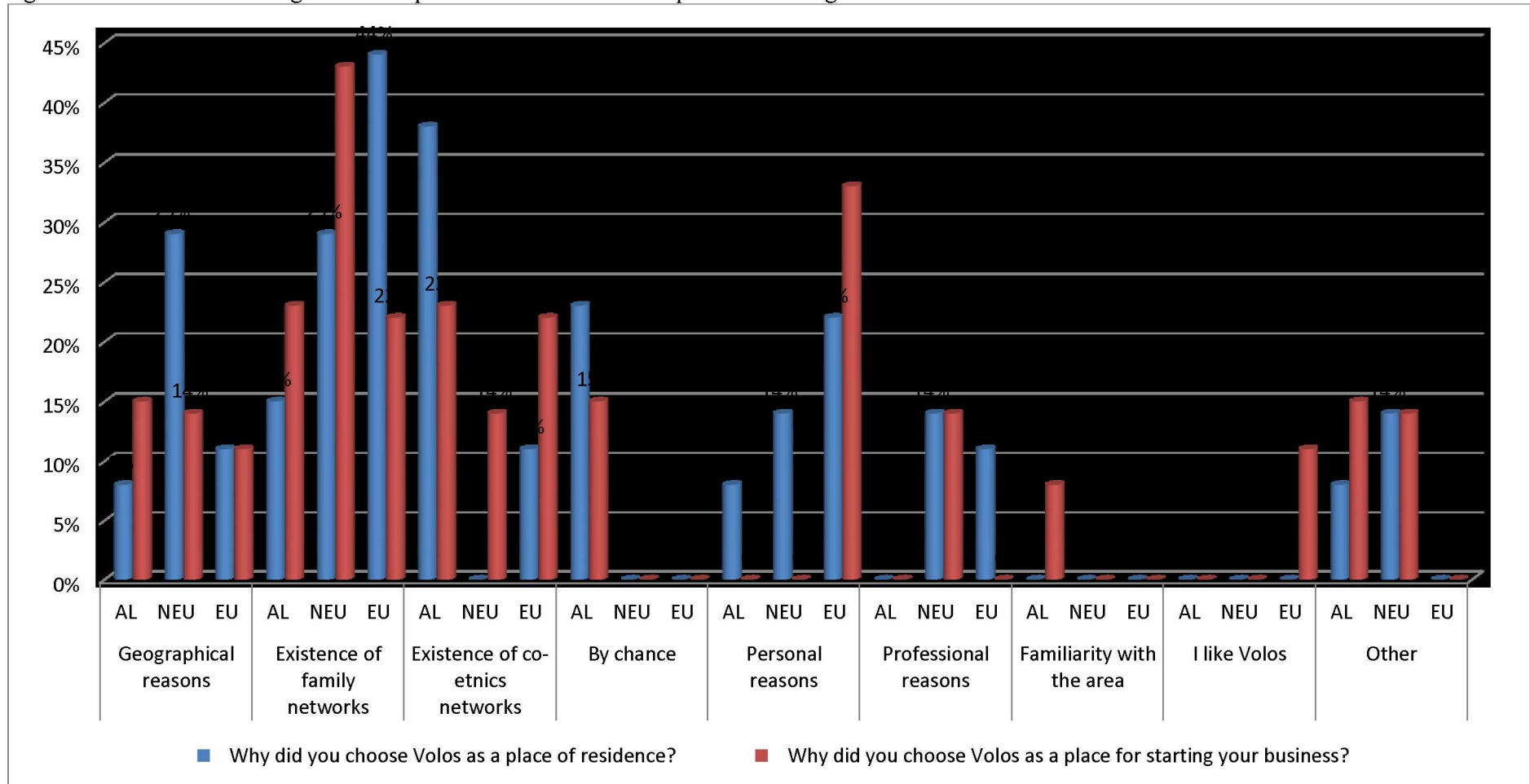
Examining the possibility of the existence of racist behavior or discrimination against the immigrant entrepreneurs, remarkable is the fact that the immigrants of European Union origin answered that they have not met any kind of discrimination or racism in total (Figure 5). This may mean that these entrepreneurs are more socially integrated than the others. On the other hand, the immigrant entrepreneurs that have faced greater racist behavior are those of non European Union origin.

Taking into consideration all the above results and indications, it could be said that it has been failed to reject Hypothesis 1.

4.2.2 HYPOTHESIS 2

The first part of the testing of Hypothesis 2 has to do with the examination of the role of geography of Volos in the immigrants' decision and motivation for entrepreneurship and the process of social integration. Specifically, it is examined whether the fact of Volos being a port city and located almost at the center of Greece affect the immigrants' motivation for entrepreneurship. This is also examined in comparison with the reasons for immigrants' choosing Volos as a place of residence (Figure 6).

Figure 6: Reasons for choosing Volos as a place of residence and as a place for starting a business



Source: own elaboration

As figure 6 displays, the reasons why Volos was chosen as a place for starting a business vary per nationality and generally. As far as the Albanians are concerned, a percentage of 15% answered that chose Volos for geographical reasons while the main reasons are split mainly between the existence of family and co-ethnics networks and secondarily among other unidentified reasons. Geography does not seem to play any particular role in the other two categories either. Other reasons that seem to participate in the immigrants' choice for entrepreneurial activity in Volos are the existence of family networks, co-ethnics' networks and other reasons like personal, professional and other unidentified reasons. The non European Union origin immigrants mostly chose Volos as a place for starting a business due to kinship networks (43%) while the immigrants of European Union origin chose Volos mostly for personal reasons.

Examining the reasons of choosing Volos as a place of residence, immigrants of non European origin seem to choose the geography of Volos at same level with the choice of Volos as a place for starting their business (29%). It is worth noticing that the reasons for choosing Volos as a place of residence are similar for all the three categories. The existence of family networks affected the choice of the non European Union origin immigrants and those of European Union origin. The latter seem to have a more autonomous behavior concerning the entrepreneurial reasons (personal reasons for choosing Volos). The Albanians seem to have been affected by the existence of co-ethnics' networks (38%).

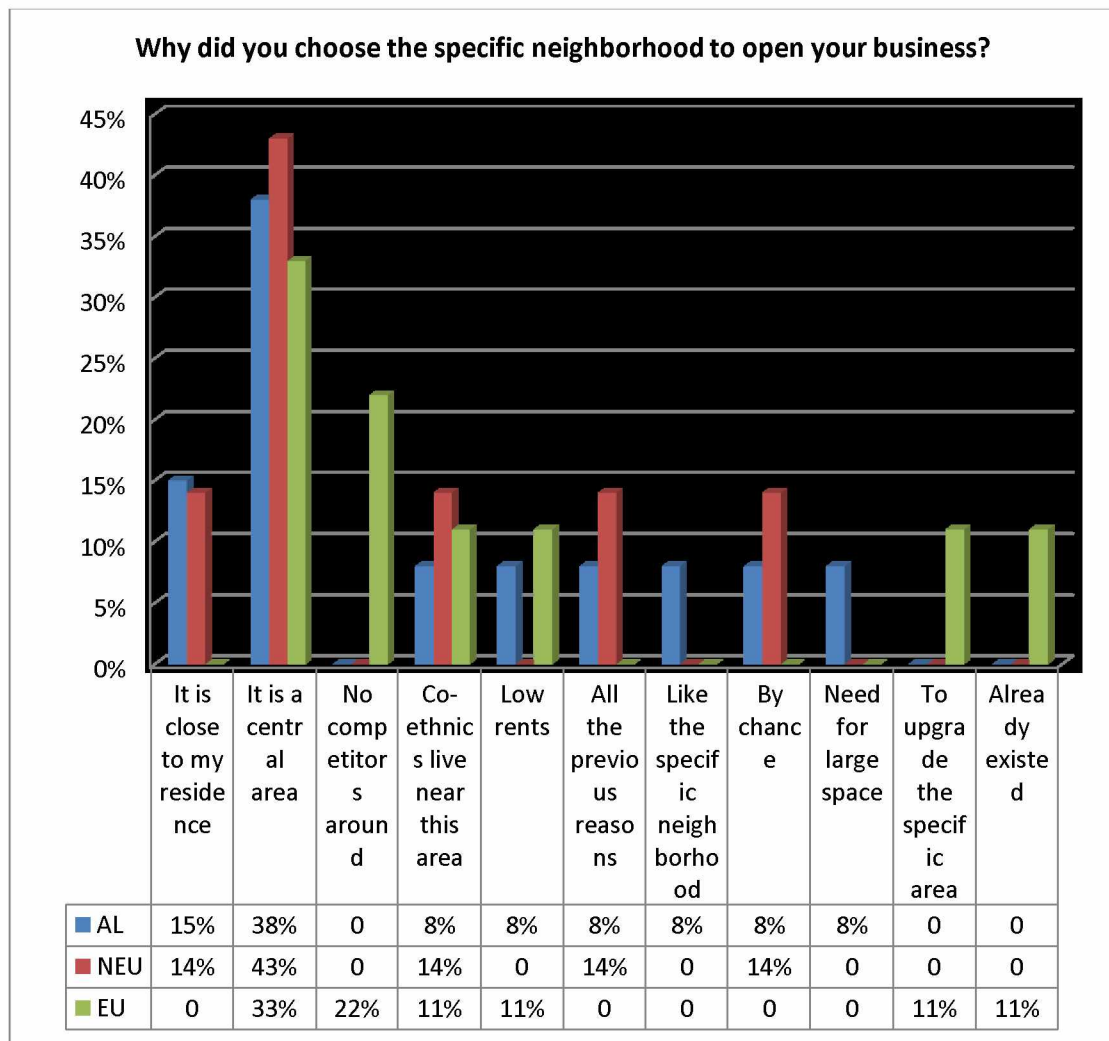
The second part of Hypothesis 2 has to do with the other local characteristics that can affect the entrepreneurship of the immigrants as well as their social integration. As a result neighborhood characteristics and institutional contexts are examined.

The neighborhood characteristics are examined through the reasons why the immigrants chose the specific neighborhood to open their business (Figure 7). As Figure 7 displays the fact that the neighborhood is located at central area is the main reason for selection for all the categories and especially the non European Union origin entrepreneurs. Except from this fact, the reasons vary from nationality to nationality.

Referring to the neighboring environment, it is also examined whether immigrants have made acquaintances and friendships with natives from the neighborhood of residence (Figure 3). The fact that Albanians have high percentage (92%) of making many acquaintances and friendships possibly indicates achievement of local bridging social

capital. The immigrants of non European Union origin have also high percentage (71%) of local bridging social capital. Contrary to what may be expected, the immigrants of European Union origin have less percentage of local bridging social capital (44%) compared to the other two categories while the 33% of them answered that have very few acquaintances or friendships with natives from their neighborhood.

Figure 7: Reasons for choosing the specific neighborhood for the establishment of the business

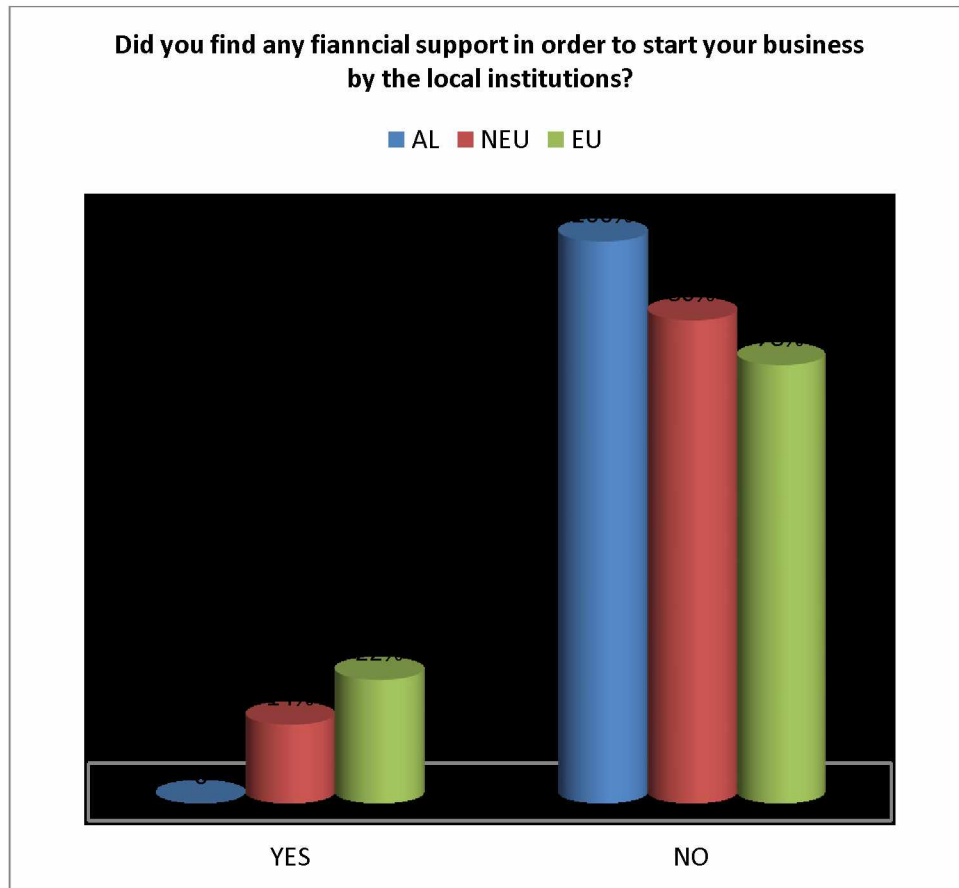


Source: own elaboration

Discussing about the institutional contexts the immigrants were asked if they have found any support by the local institutions like loans and subsidies, the majority of the immigrants gave negative answer (Figure 8). Noticeable is the fact that the Albanian entrepreneurs, who are the majority in the specific sample, did not find any financial support at all. Nevertheless, according to Mr. Voukoutos, immigrants except from their savings of their previous working experiences seem to find the necessary capital to

establish their business from their accession to Community programs or programs supported from Manpower Employment Organization (OAEΔ). This view at least at this survey does not seem to find agreement with the data gathered.

Figure 8: Examination of financial support from local institutions



Source: own elaboration

The membership of the immigrants in the structures of the local business association such as the Chamber of Commerce is also examined as part of institutional contexts (Figure 9). Despite the fact that the registration in the Chamber of Commerce is obligatory for everyone that decides to start a business, the majority of the immigrant entrepreneurs do not see themselves as actual members of it. This fact seems to be in agreement with the situation that Mr. Voukoutos describes. According to Mr. Voukoutos the membership of the immigrants to the Chamber's structures and events like seminars is almost nonexistent. On the one hand, the current fiscal crisis has made many entrepreneurs, both native and immigrants, to care only about the everyday survival of their businesses. The result of this situation is that the entrepreneurs do not care about being informed of the current business progress or innovation in the entrepreneurial activity. The situation could

be characterized as a vicious circle as the entrepreneurs lose the opportunity to find out and implement better methods of running their businesses. The other hand is that some immigrants are informed about current entrepreneurial issues from their accountants or private offices that specialize in business planning and management. Nevertheless, the Chamber of Commerce informs for these topics all its registered members without exclusion. In general, the local Chamber of Commerce is open to any immigrant that stays legally to Volos²⁴. In reference with this fact, representative of the Periphery of Thessaly, in the administrative section of Magnesia mentions that a great amount of applications arrive daily in the department that is responsible for the examination of the naturalization process. But this is the only responsibility of the department without any further implication in other social issues such as the employment status or entrepreneurship.

²⁴ See APPENDIX C

Figure 9: Membership or not of the immigrant entrepreneurs in local business association



Source: own elaboration

As far as the existence of any kind of association created by the immigrant entrepreneurs is concerned, this is almost zero. The 90% answered that the immigrant entrepreneurs have none kind of association of their own while only the 10% answered that they have formed some associations²⁵. More specifically, there are two associations. The one is formed by Italians and is named AMICI DI ITALIA (Volos) and the other is formed by Polish and is named META.

To sum up, it could be concluded that the first part of Hypothesis 2 concerning the geography of Volos, does not seem to affect directly the immigrants' social integration and motivation for entrepreneurship. The second part though concerning other local characteristics is more likely to affect the entrepreneurial and social behavior of the immigrants.

²⁵ See APPENDIX B Figure 17

5. CONCLUSIONS

There is evolution in the theories that analyze the causes and the consequences of immigration. The different approaches of social capital theory are part of this process.

The concept of social integration is multi-dimensional and difficult to be measured and even more when refers to the immigrants. This is the reason why it is usually examined through different parameters. The interactive integration is this form of integration that includes the acceptance of immigrants in the primary social networks of the host society, friendships and kinship networks. Due to the complexity of the theme, there is limited empirical evidence in the contemporary literature that examines the way the entrepreneurship has affected the social life of the immigrants and the opposite.

Taking into consideration the limitations of the specific survey, the findings of the previous analysis lead to certain conclusions for further exploration and examination.

First of all, entrepreneurship seems likely to affect the immigrants' social integration by developing bonding or bridging social capital (Hypothesis 1).

After the examination of each national category, Albanians are the majority of the immigrant entrepreneurs in the under examination population of this survey. This may be an element of its own indicating that Albanians entrepreneurs have reached to greater level of social integration compared to the other two categories. Additionally, Albanians seem to have achieved through entrepreneurship greater levels of bridging social capital without abandoning forms of bonding social capital. The immigrants of European Union origin have also high percentages of bridging social capital obtained through their entrepreneurial activity. The immigrants of non European Union origin seems to have achieved slightly shorter levels of bridging social capital and higher bonding social capital compared to the other two categories. Furthermore, it seems that they have met more racist behavior or discrimination in their working environment than the other two categories even if these incidents stayed at short levels. Nevertheless the overall picture is that all three categories created more acquaintances and friendships with natives since the establishment of their businesses than from the neighborhood environment.

Secondly, the geography of Volos does not seem to affect importantly the motivation and decision of the immigrants for developing entrepreneurial activity but other local

characteristics may affect at some point the development of immigrant entrepreneurship and the route of social integration (Hypothesis 2).

Specifically, the main reason of choosing neighborhood for the establishment of the business is the centrality of the area and this is common for all three categories. As far as the acquaintances and friendships with natives from the neighborhood of residence, Albanians have achieved greater local bridging social capital than the other two categories. The immigrants of non European Union have also achieved local bridging social capital following the Albanians. Contrary to what may be expected, immigrants of European Union origin have achieved less local bridging social capital than the other two categories. It could be concluded that the immigrants of European Union origin seems to be socially integrated taking into consideration their entrepreneurial activity. Nevertheless, considering the local bridging social capital, a selective social integration seems to characterize them as they have not made as much acquaintances and friendships with natives as the other two immigrant groups. It could be assumed that maybe they do not feel so much the necessity to mingle with the native population as the other two immigrant groups.

In general, no sign of ethnic enclave is noticed as all three categories have achieved more or less bridging social capital. Despite the fact that the total of the enterprises are of small/medium scale, they are depended on a combination of social interactions both with natives and co-ethnics. Any existence of bonding social capital such as in immigrant entrepreneurs of non European origin and at some level in Albanian entrepreneurs goes along with the development of forms of bridging social capital.

Taking into consideration the reaction of the Chinese entrepreneurs to the process of the survey and their denial of filling the questionnaire (except from one Chinese entrepreneur), it could be assumed that they are less socially integrated than the others immigrant groups examined. It could be also assumed that this fact is mostly their choice for different cultural and social reasons. This possible conclusion is enhanced by the situation described by Mr. Voukoutos.

The institutional contexts do not seem to promote particularly the immigrant entrepreneurship as a factor of social integration. There is no a common policy route that connects the institutions responsible for carrying out immigrant orientated policies along with policies of social integration. Even if there is the intention for institutional changes

that promote immigrant entrepreneurship, the majority of the immigrants examined in this survey do not seem to be privy to this intention. The issue of the acquisition of the legal permits of residence seems to be fundamental for the rest aspects of the immigrants' rights and the development of the entrepreneurial activity.

Despite the limitations and problematics of the essay, the findings can be used as trigger for further examination of the effects of entrepreneurship on the social integration of the immigrants in Volos. The findings may be useful to the institutions carrying out immigrant orientated policies. Especially, the local Chamber of Commerce along with the Periphery of Thessaly must find a common pace in order to support and promote immigrant entrepreneurship. Additionally, the municipality of Volos being at the first level of the local government must create the appropriate structures that can be easily approached by the immigrants. The absence of consultative structures for different aspects of problems that immigrants may confront is an issue worth to be noticed. As it may be concluded, immigrant entrepreneurs form both a factor of economic activity and social transactions. The benefits of the immigrant entrepreneurship and the possible effects on social, cultural and economic level are hard to be measured. Nevertheless, due to the intangibility of the effects of the immigrant entrepreneurship, especially on the social level, further research and careful observance is necessary. The results of future research would be useful for a variety of sciences such as Economics, Sociology, Demography and Development Studies and may lead to the enrichment of immigration policies.

APPENDIX A



UNIVERSITY OF THESSALY

Department of Planning and Regional Development

The questionnaire is part of a non-funded essay and it is used strictly for academic reasons. Any personal data are completely confidential

For further information please contact the supervisor teacher Mr. Tselios Vasileios, tel: 6978289422

Name of the business:

Address:

Entrepreneurial activity:

Year of establishment:

Questionnaire

Personal information

1. Where are you from?

Albania China Bulgaria Romania Other (please write your country of origin)

2. Gender Male Female

3. How old are you?

18-25 26-35 36-45 46-55 56+

4. How many years have you been living in Greece?.....years

5. How many years have you been living in Volos?.....years

6. Is Volos the first place that you have stayed since you arrived in Greece?

Yes No Other place (specify).....

7. Do you speak Greek? Yes No. If yes, to what degree?

Excellent Very good Good A little

8. What is your highest level of education?

Primary Secondary Tertiary

9. Where has your highest level of education been obtained?
 country of origin Greece Other country (specify).....
10. Are you married? Yes No. If yes, is your wife/husband Greek?
 Yes No
11. Have you got any children? Yes No
12. Do you have any relatives or friends that have been living and working in Volos before you decided to come as well? Yes No

General information about the business

13. Why did you choose Volos as a place of residence?
 Geographical reasons (Volos is almost at the center of Greece, existence of the port) My family lives here My friends/ compatriots live here Other (please indentify).....

14. Why did you choose Volos as a place for starting your business?
 Geographical reasons (Volos is almost at the center of Greece, existence of the port) Existence of family networks Existence of compatriots' networks Other (please indentify).....

15. When did you establish your business (year)?

16. Is it the first time that you start a business? Yes No

17. Was Volos your first choice to start your business? Yes No

18. Why did you choose to start this kind of business?
 Because I like it It is a family business It is suitable for my skills Other reasons(explain).....

19. Why did you choose the specific neighborhood to open your business?
 It is close to my residence It is a central area There are no competitors around Co-ethnics/compatriots live near this area It has low rents Other (please indentify).....

20. Do you promote your entrepreneurial activities (merchandise, services) in the region of Thessaly or anywhere else? Yes No . If yes, where?

- Larisa Trikala Karditsa Other region(name it).....
21. How often do you visit your country of origin for entrepreneurial reasons?
- Less than once Once a year Twice a year More than four times a year
22. How often do you visit your country of origin for personal reasons?
- Less than once Once a year Twice a year More than four times a year

Social environment information

23. Do you have any compatriots/co-ethnics of yours as customers?
- Only Many Few Very few None
24. Do you have any Greek people as customers?
- Only Many Few Very few None
25. Do you have any compatriots/co-ethnics of yours as suppliers?
- Only Many Few Very few None
26. Do you have any Greek people as suppliers?
- Only Many Few Very few None
27. Have you any co-ethnics/compatriots or Greek people employed in your business?
- Only co-ethnics/compatriots Both co-ethnics/compatriots and Greek people Only Greek people
28. Have you made any friendships or acquaintances with Greek people since you set up your business?
- Many Few Very few None
29. Have you made any friendships or acquaintances with Greek people from your neighborhood?
- Many Few Very few None
30. Have you met any racist behavior or discrimination in the field of your work?
- Yes No No response
31. Do the Greek people, who have similar kind of business, deal with you as a colleague? Yes No

32. Where did you apply for the necessary license and documents in order to establish your business?

- Local chamber of commerce
 - Municipality of Volos
 - Periphery of Thessaly
 - Other institution
- (explain).....

33. Did you find any financial support in order to start your business by the local institutions? (bank-loans, entrepreneurship funding, subsidies) Yes No

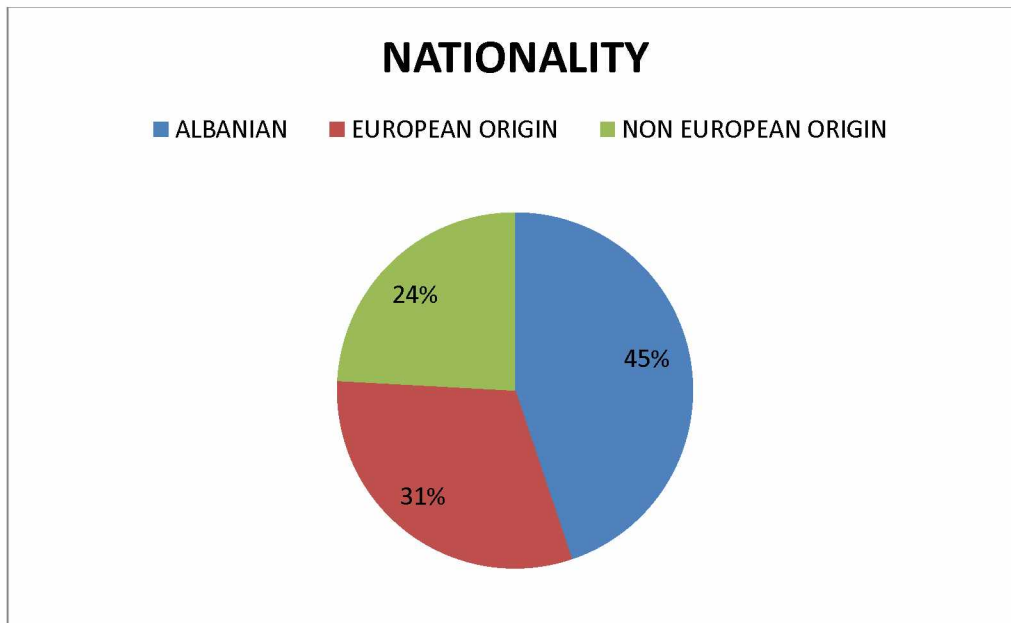
34. Are you a member of your local business association (trade association, professional chambers, etc)? Yes No

35. Do you have any associations of your own with your co-ethnics/ compatriots like sport teams, dancing groups or clubs? Yes No . If yes, please specify.....
.....
.....

36. Are you satisfied from your decision to start a business in Volos?
 Absolutely Very much Enough A little Not at all

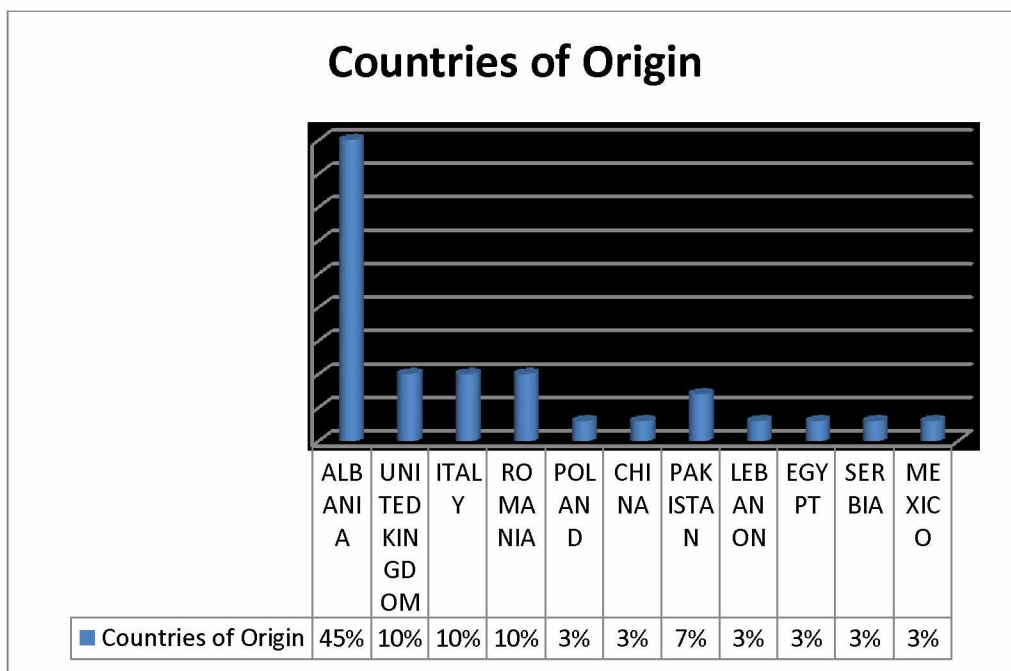
APPENDIX B

Figure 1: Nationality of the immigrant entrepreneurs



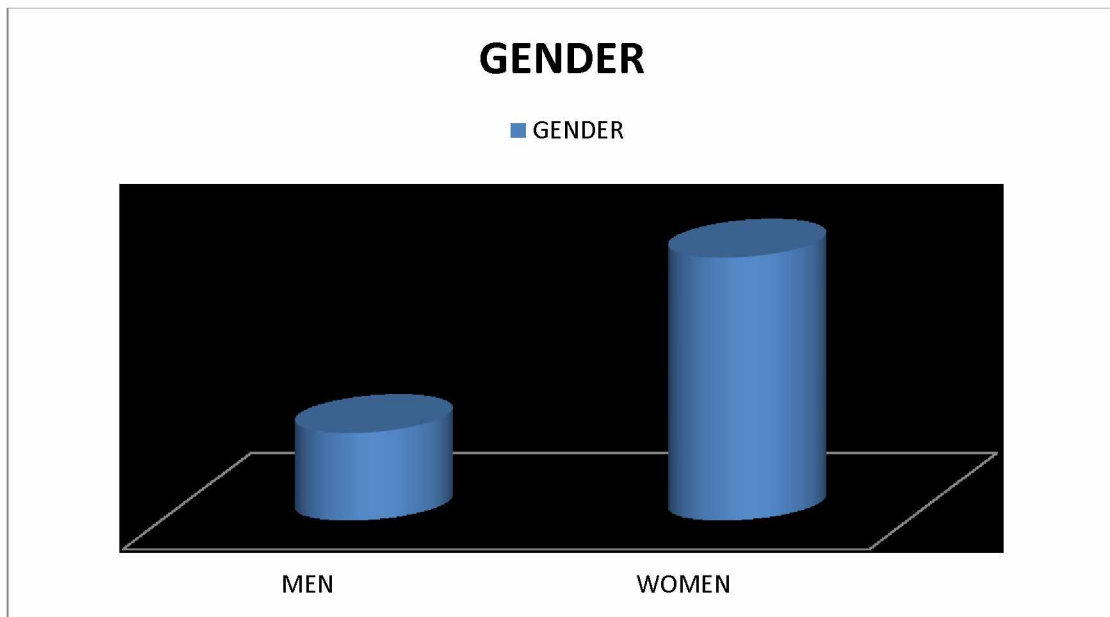
Source: own elaboration

Figure 2: Countries of origin



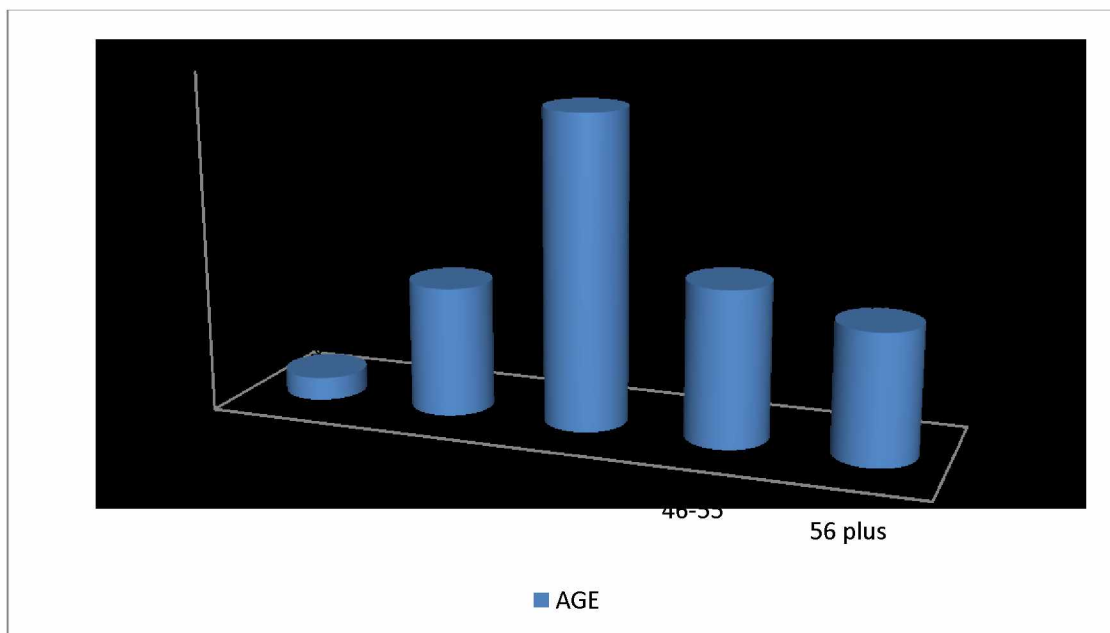
Source: own elaboration

Figure 3: Gender



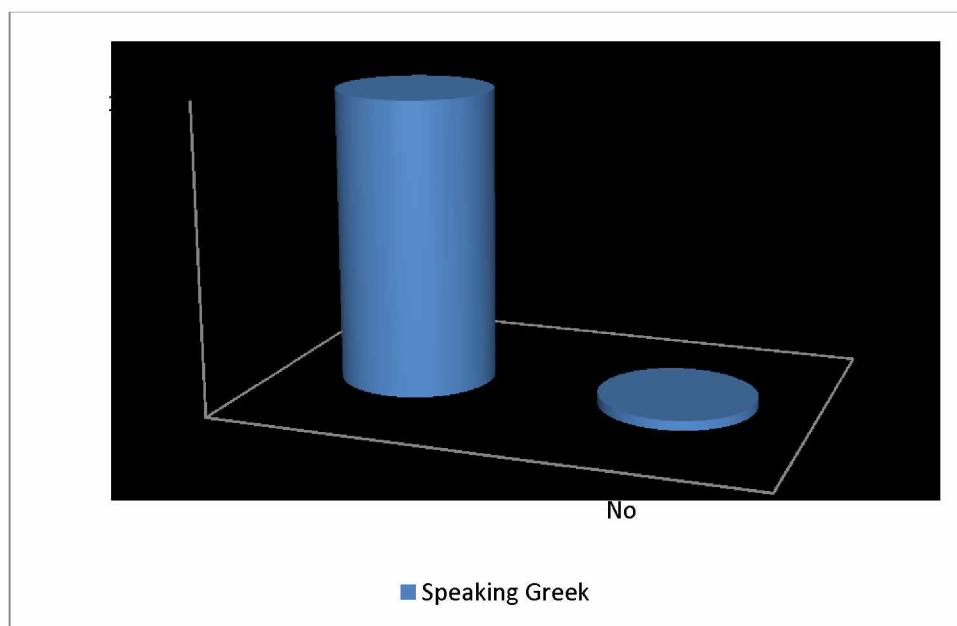
Source: own elaboration

Figure 4: Age



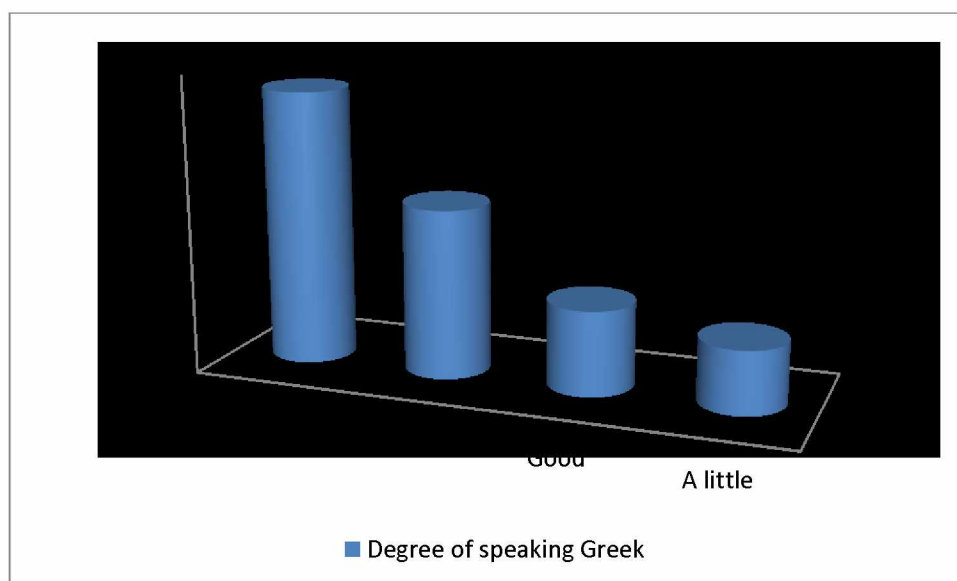
Source: own elaboration

Figure 5: Knowledge of Greek language



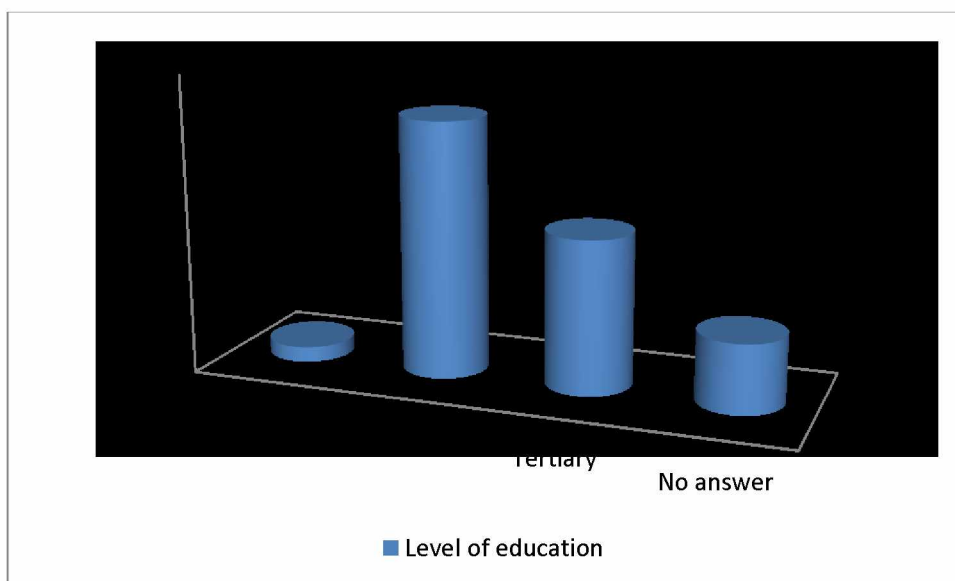
Source: own elaboration

Figure 6: Degree of speaking Greek



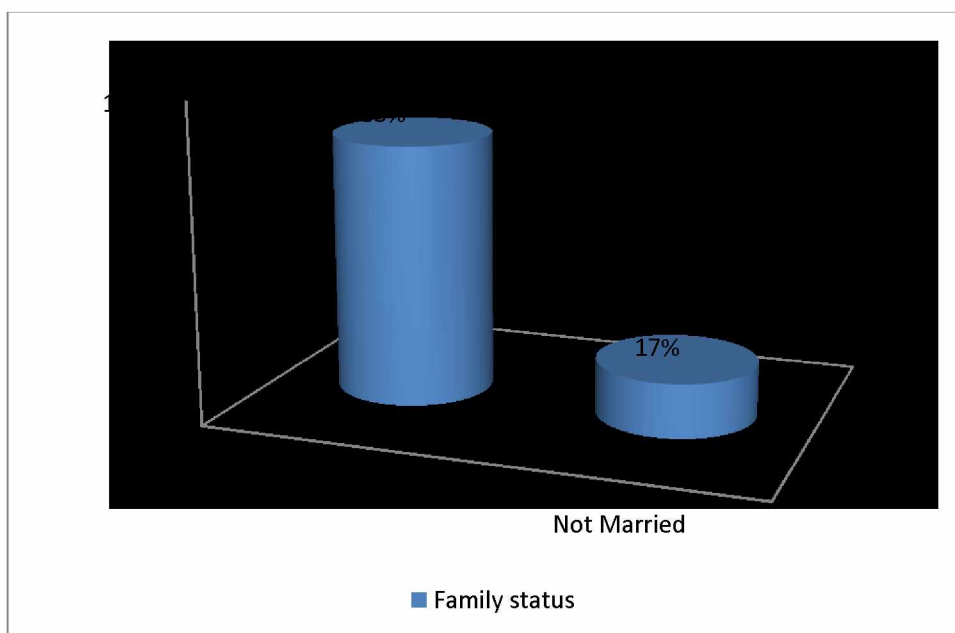
Source: own elaboration

Figure 7: Level of education



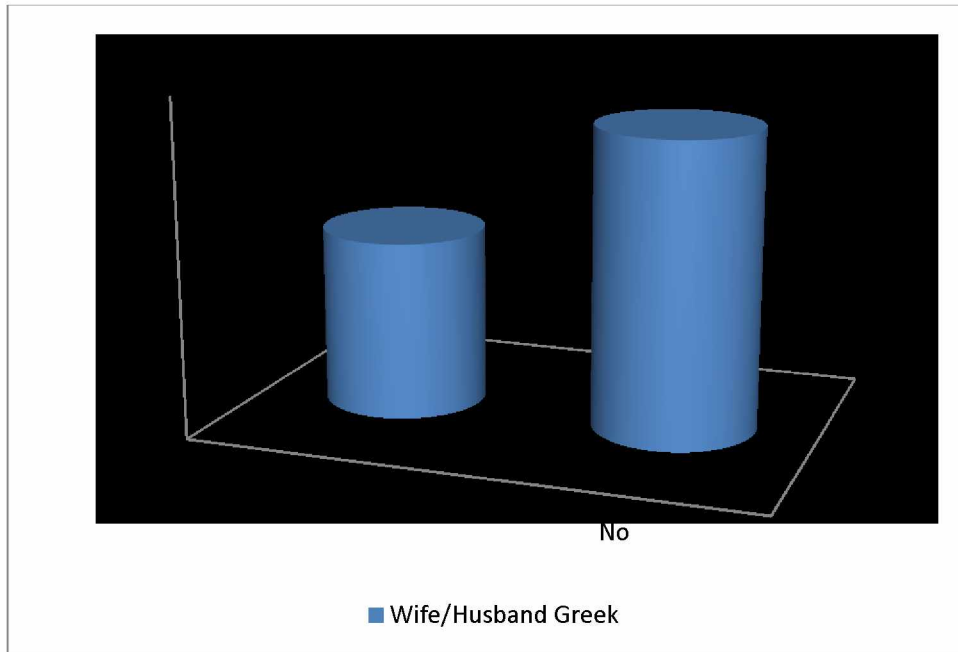
Source: own elaboration

Figure 8: Family status



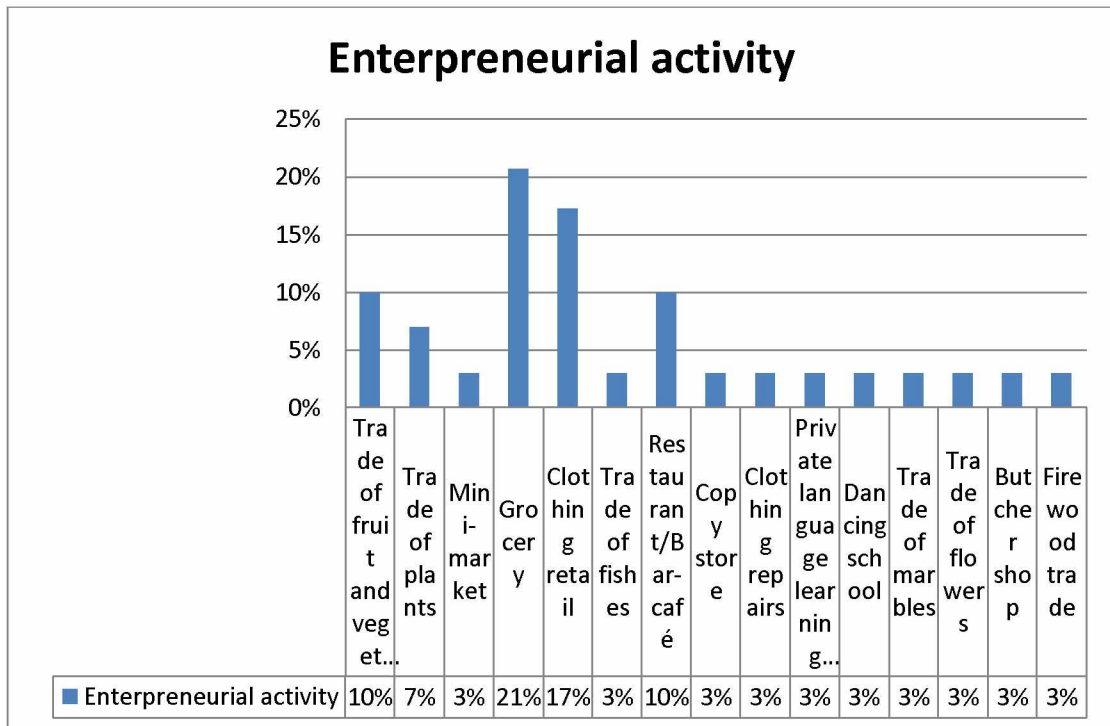
Source: own elaboration

Figure 9: Examination of the nationality of the wife/husband of the immigrant entrepreneurs



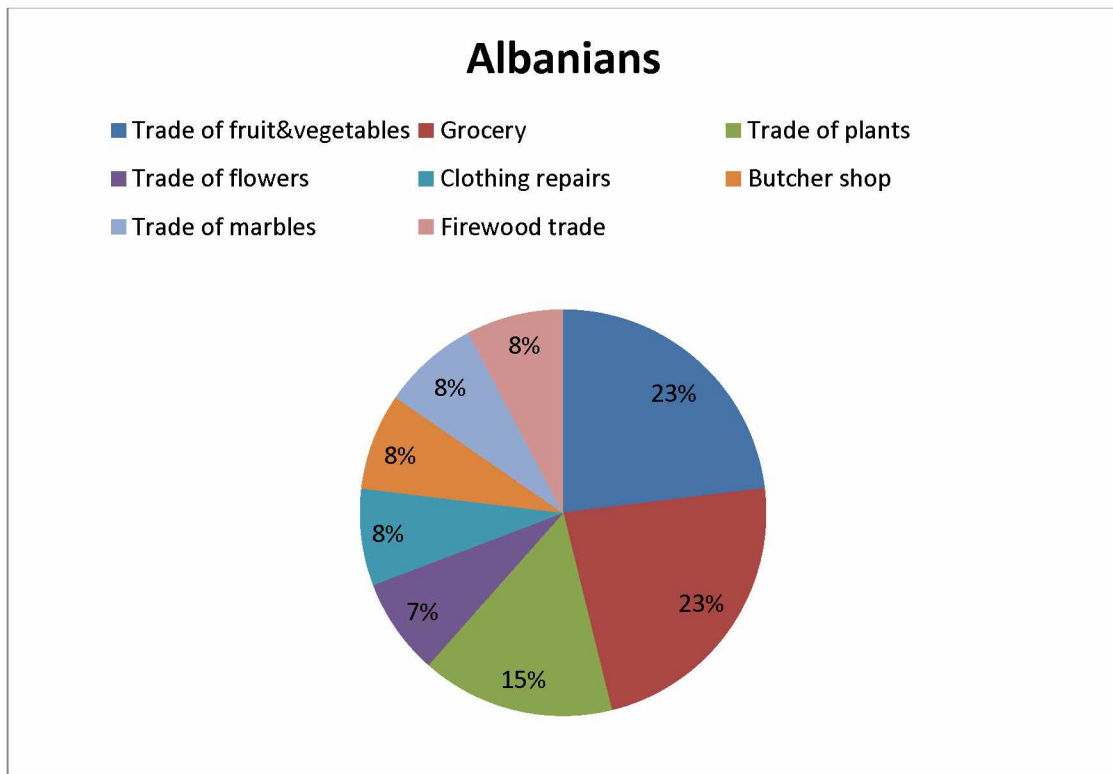
Source: own elaboration

Figure 10a: Kind of entrepreneurial activity



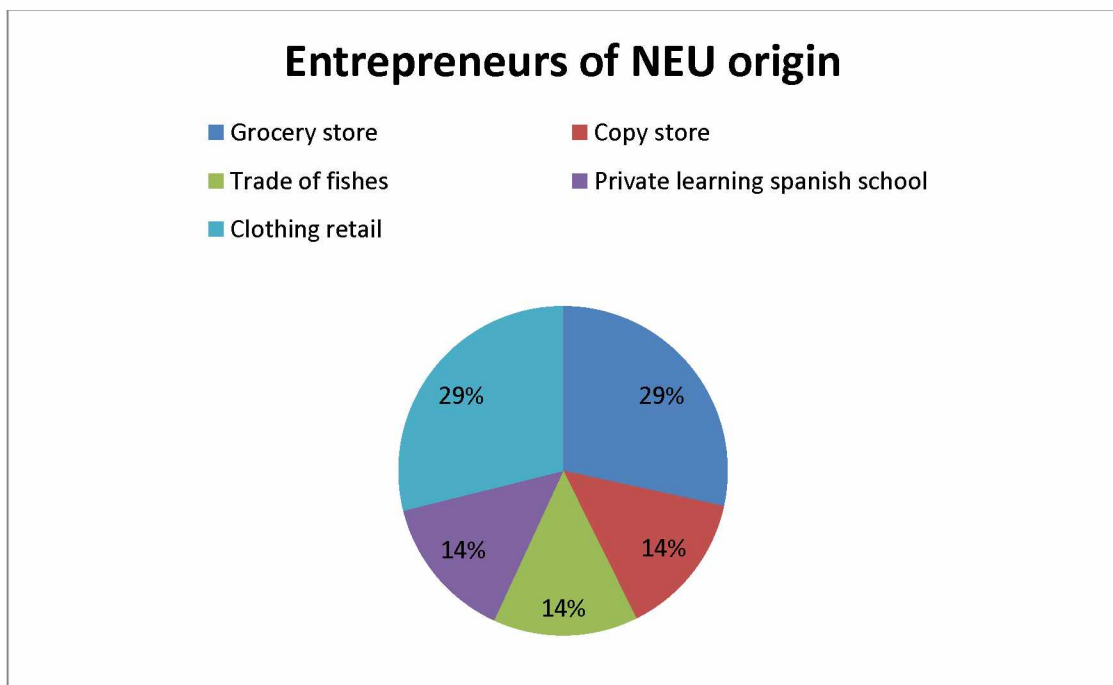
Source: own elaboration

Figure 10b: Kind of entrepreneurial activity of the Albanian entrepreneurs



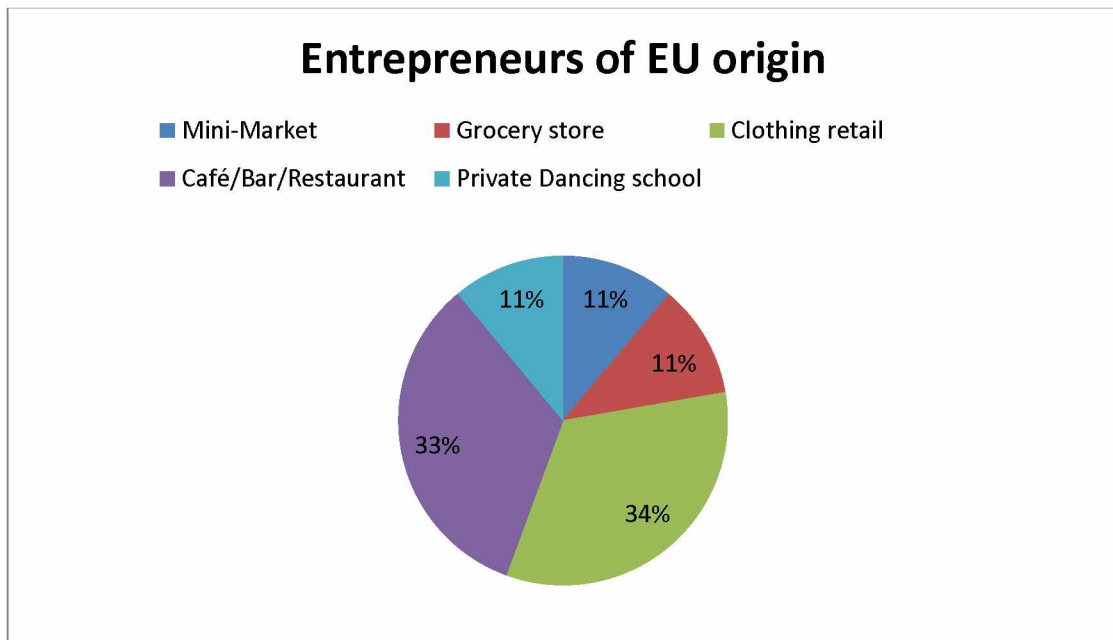
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Figure 10c: kind of entrepreneurial activity of Non European Union origin entrepreneurs



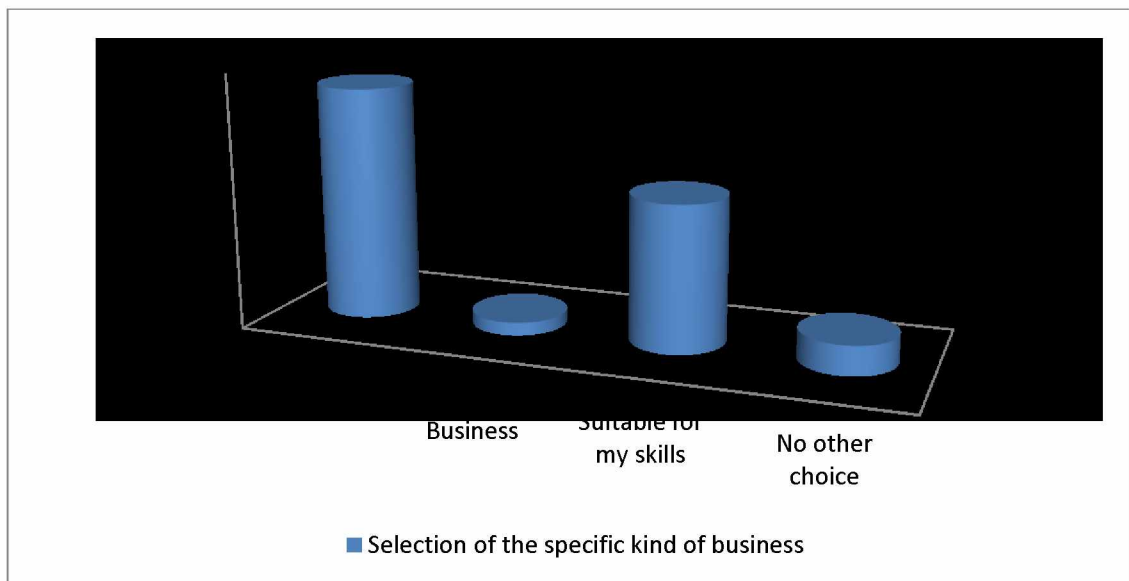
Source: own elaboration

Figure 10d: Kind of entrepreneurial activity of the European Union origin entrepreneurs



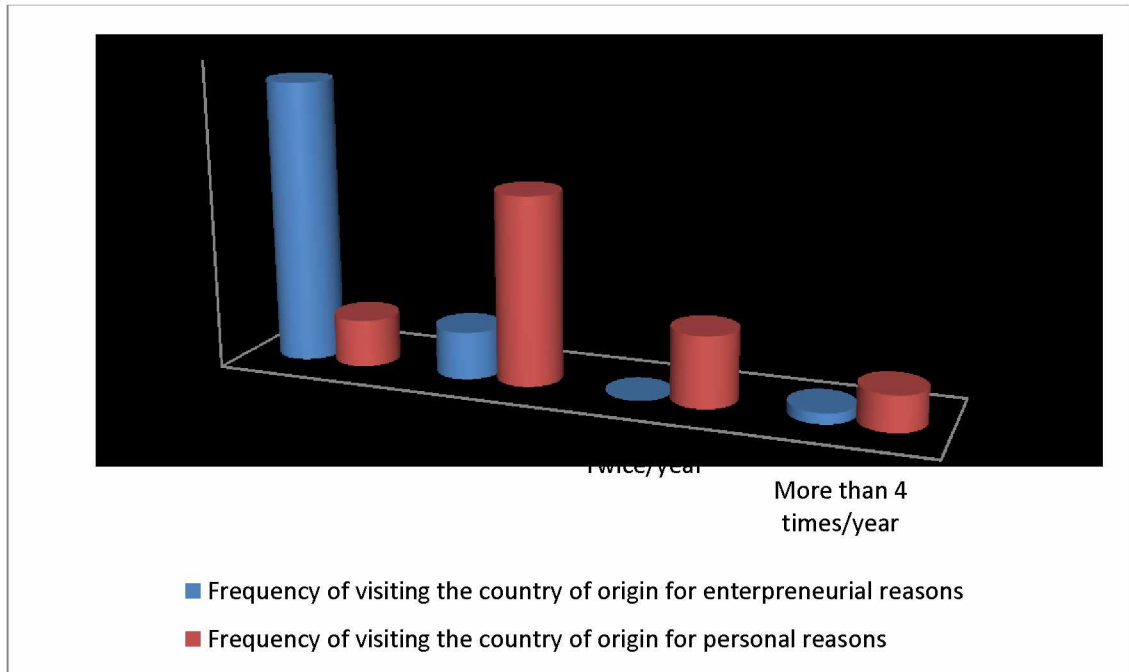
Source: own elaboration

Figure 11: Reasons for selection of the specific kind of business



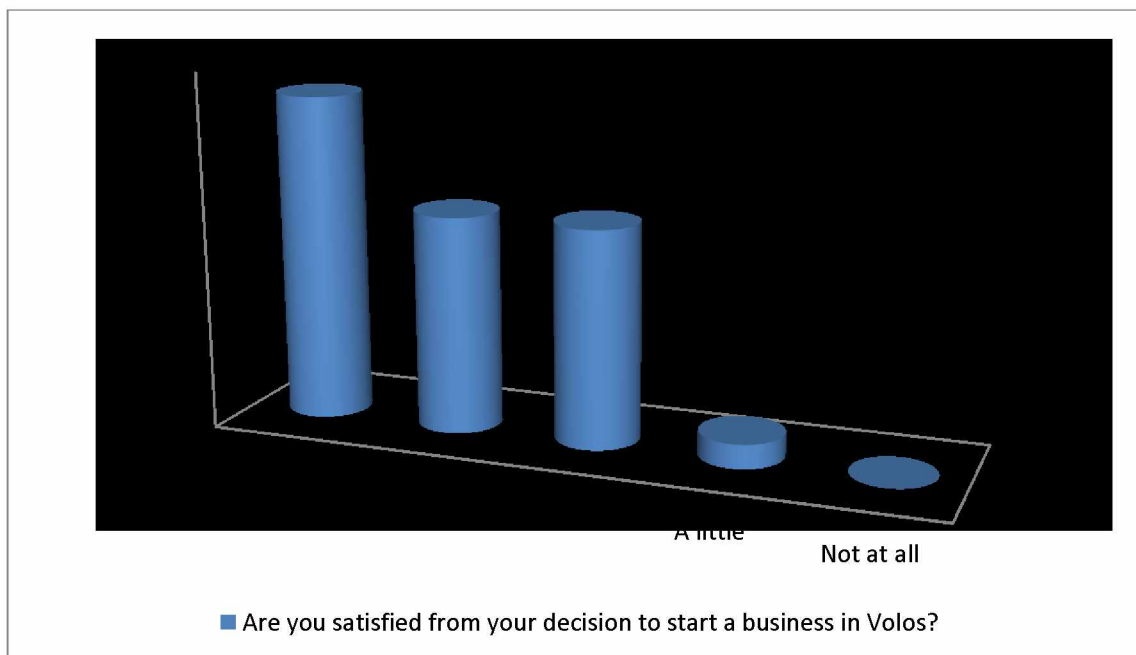
Source: own elaboration

Figure 12: Frequency of visiting the country of origin for entrepreneurial/personal reasons



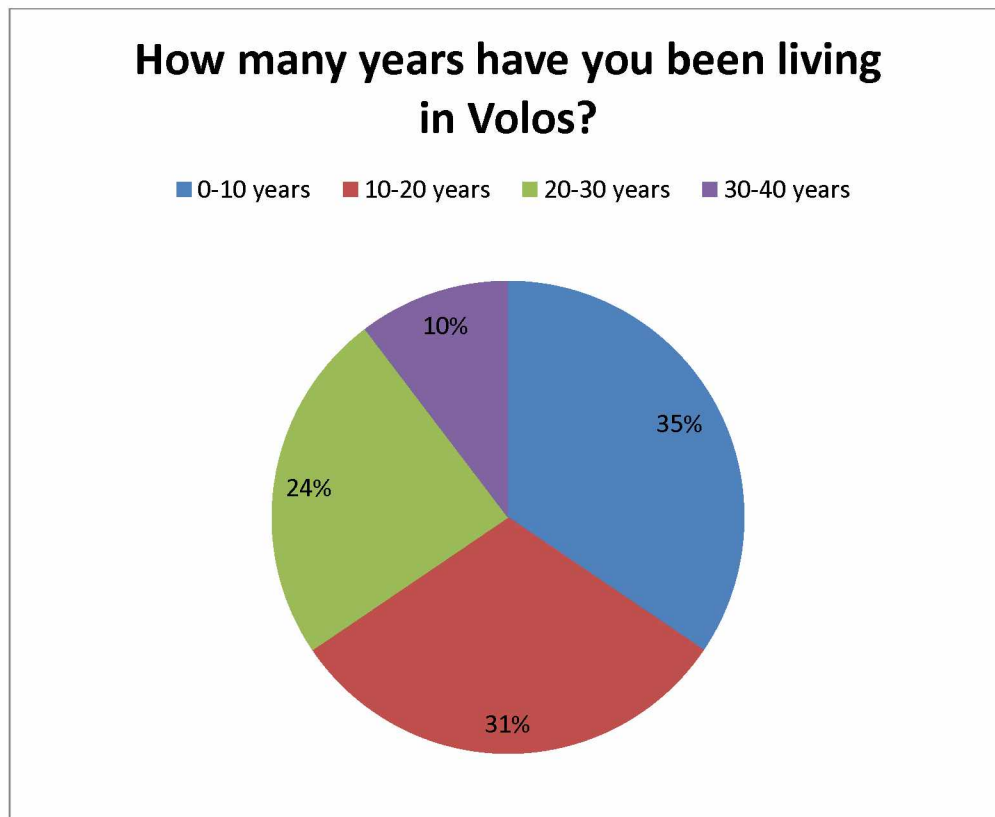
Source: own elaboration

Figure 13: Level of satisfaction from the decision of establishing a business in Volos



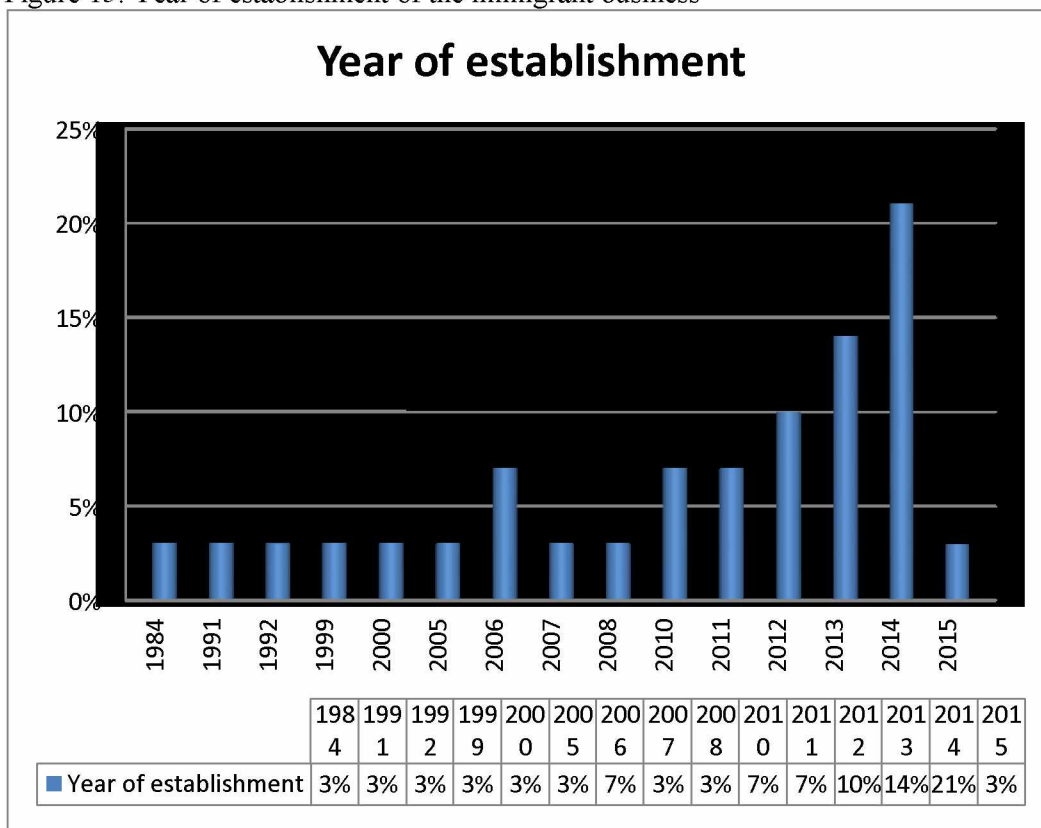
Source: own elaboration

Figure 14: Years of living in Volos



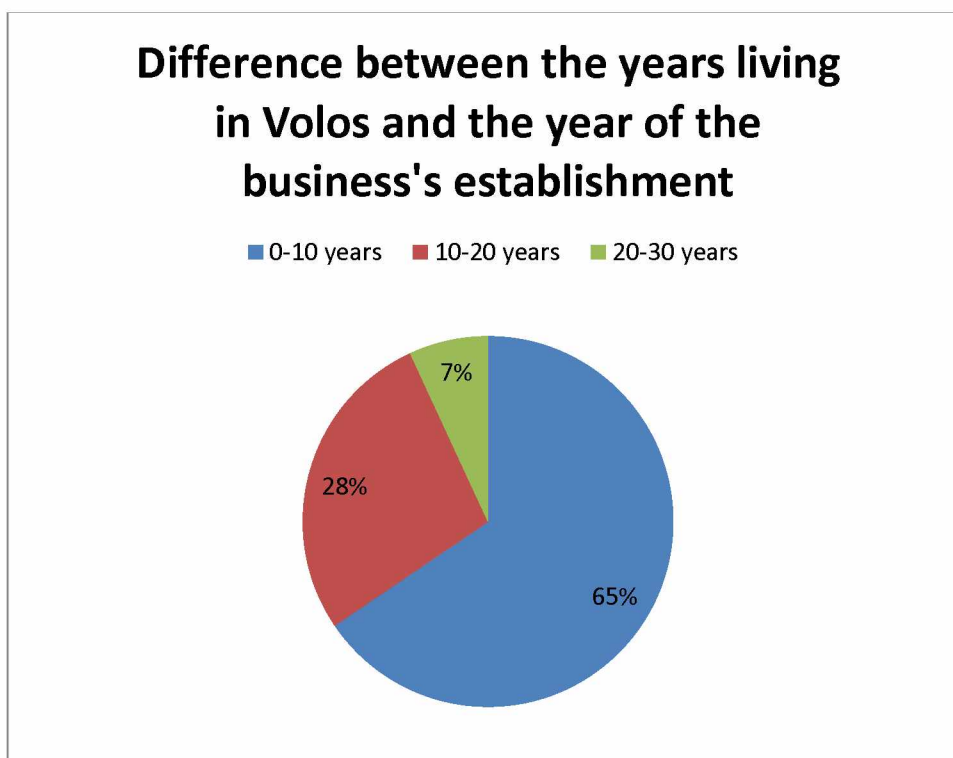
Source: own elaboration

Figure 15: Year of establishment of the immigrant business



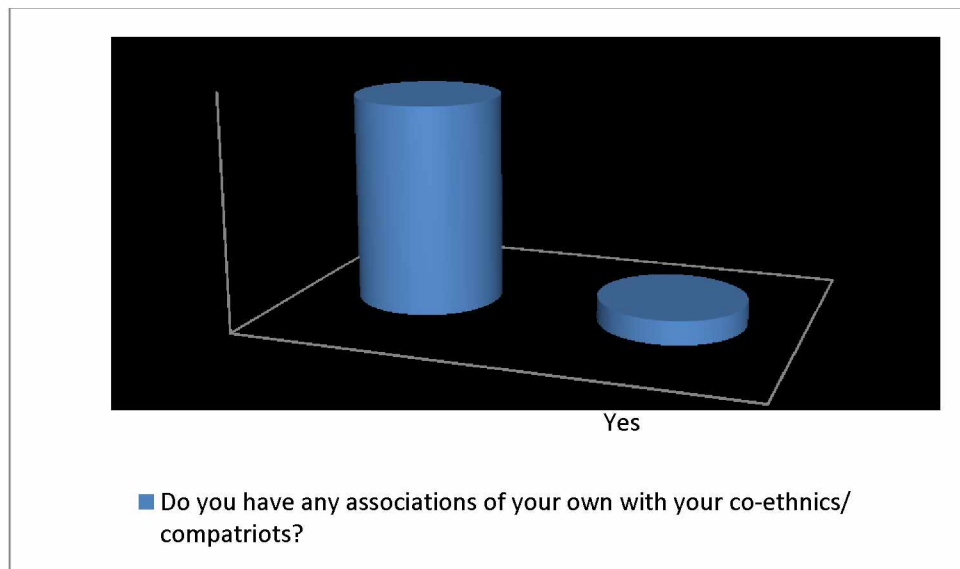
Source: own elaboration

Figure 16: Difference between the years living in Volos and the year of the business's establishment



Source: own elaboration

Figure 17: Existence of immigrants' associations or not



Source: own elaboration

APPENDIX C**INTERVIEW WITH MR. VOUKOTOS KONSTANTINOS, DIRECTOR OF THE LOCAL CHAMBER OF COMMERCE**

According to Mr.Voukotos, the main cause of the immigration is the acquisition of a satisfactory income. For this reason, at least at the beginning of their life at the host country, they seek to find any job of dependent employment and most they do more than one jobs. As it is noticed, these jobs require hard and long hours of work, under not appropriate working conditions. This is a fact that is worth mentioning as immigrants show great loyalty to their purpose for achieving a better living standard. As Mr.Voukotos mentioned, this element exists in the Greek reality especially when the discussion goes to the characteristics of the Albanian immigrants who are predominant in the Greek society.

As far as the entrepreneurship is concerned, economic immigrants are more likely to develop entrepreneurial activity than the refugees who are in especially difficult situation. Nevertheless, immigrants who take the decision to start a business have as motive only their instinct to obtain a better living standard and get away from the poverty. Consequently, they have not any organized entrepreneurial plan. The capital for the establishment of their business comes from the savings of their previous working experiences or from their accession to various Community programs or programs supported from Manpower Employment Organization (OAEA). The situation of the Albanian builders can be used as an example. The Albanian builders, after having obtained enough working experience, decide to become contractors. This is an often noticed situation and there are enough enrollments in the Chamber of Commerce of this type. But according to Mr. Voukotos view, this cannot be seen as a “clear” business plan. The majority of the immigrant entrepreneurs are owners of small or medium-sized businesses. Nevertheless, there is the other side of entrepreneurial activity that comes from rich immigrants. Usually, these immigrants possess large enterprises or start businesses through franchising. Of course, these immigrants who usually are high-skilled are the minority.

As far as the trade sector is concerned, the Chinese entrepreneurs prevail, especially in the clothing retail sector. Chinese have their own way in the entrepreneurial activity and it could be said that they act in a very “close” manner like a kind of ghetto. Some of them have tried to avoid the legal regulations about the taxation but this fact is definitely a personal choice and responsibility. Generally speaking, Chinese seems to have their own mentality and they are hardly approached. This is due to their entrepreneurial behavior described above or maybe due to their cultural background. Moreover, there are also illegal forms of trade, like street vendors. Nowadays, mostly immigrants from countries of Africa are street vendors and fewer immigrants from Pakistan or countries from Middle East or Asia.

The local Chamber of Commerce is open to any immigrant that has the proper and legal documents of Residence permits. Any immigrant that stays legally in the country can apply to the Chamber of Commerce without any kind of discrimination or particularity. Additionally to this fact, firstly it is obligatory for anyone that decides to start a business, native or immigrant, to be enrolled into the General Electronic Commercial Registry (Geniko Emboriko Mitroo-G.E.MH). The database of the local Chamber of Commerce is informed from the G.E.MH. This process is primary as the Chamber of Commerce provides each entrepreneur with the necessary documents for the Public Fiscal Service and the Insurance funds. Asking Mr. Voukoutos if he thinks that is an easy process for an immigrant to follow, he answered that the majority of them addresses to accountants to help them but this is also common for the native entrepreneurs. Other institutions the immigrants apply along with the local Chamber of Commerce are the Periphery of Thessaly, the Public Fiscal Service and occasionally the municipality of Volos. The proper documents concerning the residence permits and citizenship are given from the Periphery of Thessaly. Municipality of Volos is responsible only in occasions that enterprises are of health interest such as restaurants and cafes.

Referring to the membership of the immigrants to the Chamber’s structures and events like seminars, Mr. Voukoutos said that the membership is almost nonexistent. On the one hand, the current fiscal crisis has made many entrepreneurs, both native and immigrants, to care only about the everyday survival of their businesses. The result of this situation is that the entrepreneurs do not care about being informed of the current business progress or innovation in the entrepreneurial activity. The situation could be characterized as a vicious circle as the entrepreneurs lose the opportunity to find out and implement better

methods of running their businesses. The other hand is that some immigrants are informed about current entrepreneurial issues from their accountants or private offices that specialize in business planning and management. Nevertheless, the Chamber of Commerce informs for these topics all its registered members without exclusion.

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