

# Immigrant Businesses in Andorra and Personal Support

Transnational and Cross-Border Networks in a  
Microstate Context



Universitat Autònoma de Barcelona

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Government of Andorra,  
ATCR2011/2014-0008- AND

MICINN, ENCLAVE (2013-2015). MINECO  
(CSO2012-32635).

# Location and General features



181 mi<sup>2</sup>

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181 mi<sup>2</sup>

# Immigrant Entrepreneurs

## How? Why? When?

### Different standpoints:

- ▶ Interactive (Waldinger, 1984; Light & Gold, 2000).
- ▶ Culturalist (Light, 1980; Bonacich, 1973; Rajiman et al., 2003).
- ▶ Ecologic (Aldrich y Reiss, 1976).
- ▶ Social embedding: legislative and social context as a determinant to start a business
  - **Mixed embeddedness:** maximization of new resources and opportunities (Anderson & Miller, 2003; Portes et al., 1999; Guarnizo, 2004; Shane & Venkatamaran, 2000).
  - **Insider/Outsider:** Need to avoid the host country restrictions to run their business (Arjona & Checa, 2006).

# Transnationalism

(Portes et al., 2002):

- The go and return traffic which builds complex social fields running through **national borders**.

What about microstates?

Does size matter?

# Microstates

(Does size matter?)

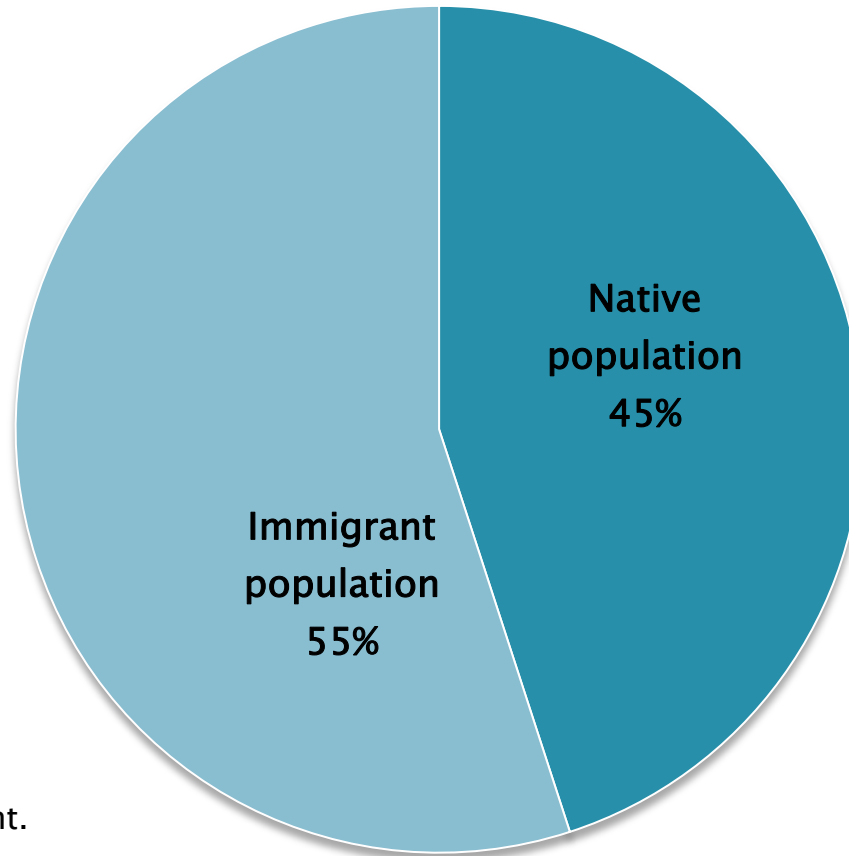
- ▶ **Microstates tend to have particular economic structure and development strategies (Grydehoj, 2011; Baldacchino, 1993)**
- ▶ Important influxes of immigrant labour (Houbert, 1980, Baldacchino, 1993).
- ▶ Particular governance and policies due to small jurisdictional size (Baker, 2002; Grydehoj, 2011)
  - Even certain trend to technocrat policies (Grydehoj, 2011)
  - Specially concerning to immigrant groups, in the Andorran case

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# Population rates in Andorra (2012)



**76.246  
inhabitants**

Source: Statistics department.  
Government of Andorra.  
Self- elaborated graphic.



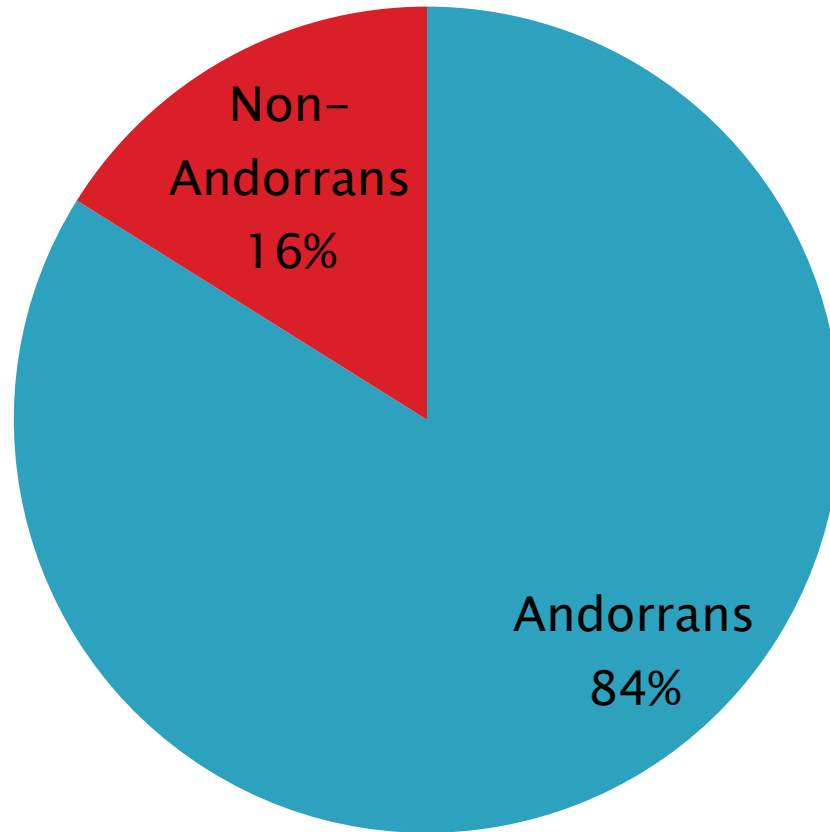
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# Immigrant businesses in Andorra

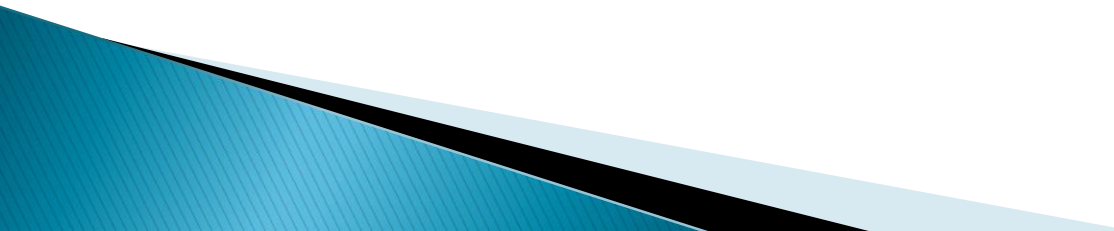
(Groups distribution in 2012)



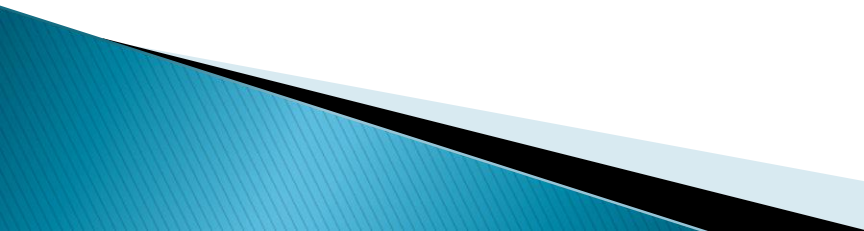
**7.337**  
**Registered businesses**

Source: Finance and trades department.  
Government of Andorra.  
Self- elaborated graphic.

# Research questions

- ▶ How do the legislative context and the country size influence the business network characteristics?
    - ▶ Cope
    - ▶ Density
    - ▶ Ties' role
  - ▶ Is it easier to have transnational business networks when the border is closer?
  - ▶ Are the cross-border relations different from the transnational ones in structural terms?
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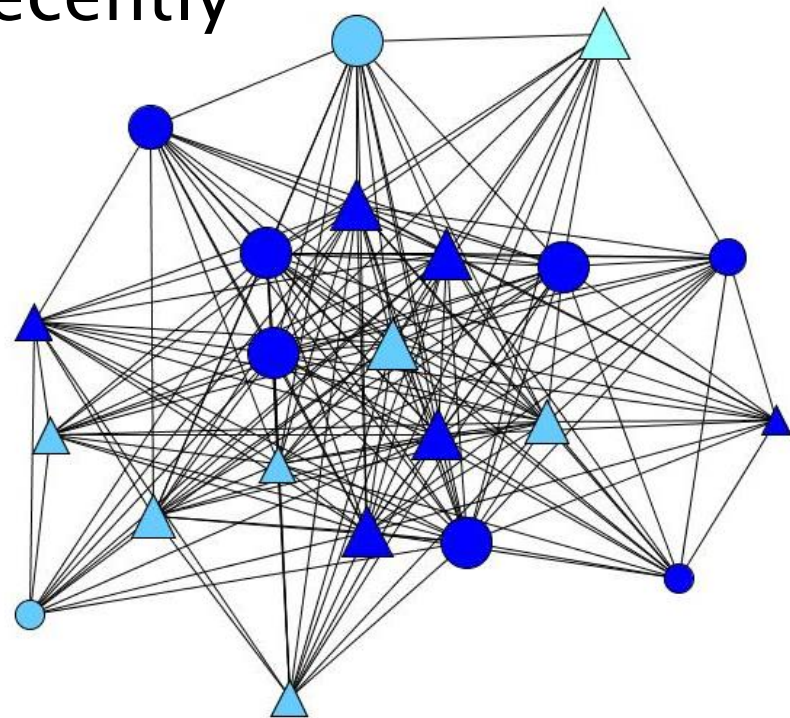
# Methodology: Mixed-Method interview

- ▶ 50 cases (migrant entrepreneurs and some Andorran ones as a control measure)
  - ▶ Structured interview
    - *Egonet* questionnaire (in order to visualize the entrepreneur's support network and its characteristics)
  - ▶ Semi- structured interview (To obtain a personal interpretation and validation of the network, as well as the relation with the success of the business)
- 

# Results: Case I

Spanish woman:  
Started to live and work on the border  
recently

- 1 restaurant at 1 mi from the Andorran Border
- Small business (4 employees)
- The contacts are half and half from both sides of the border
- Dense network, probably due to the small context and the business dimensions
- High betweenness rate in most of the contacts. Very important for a little business success
- Most of the contacts are strong ties



Women

Men



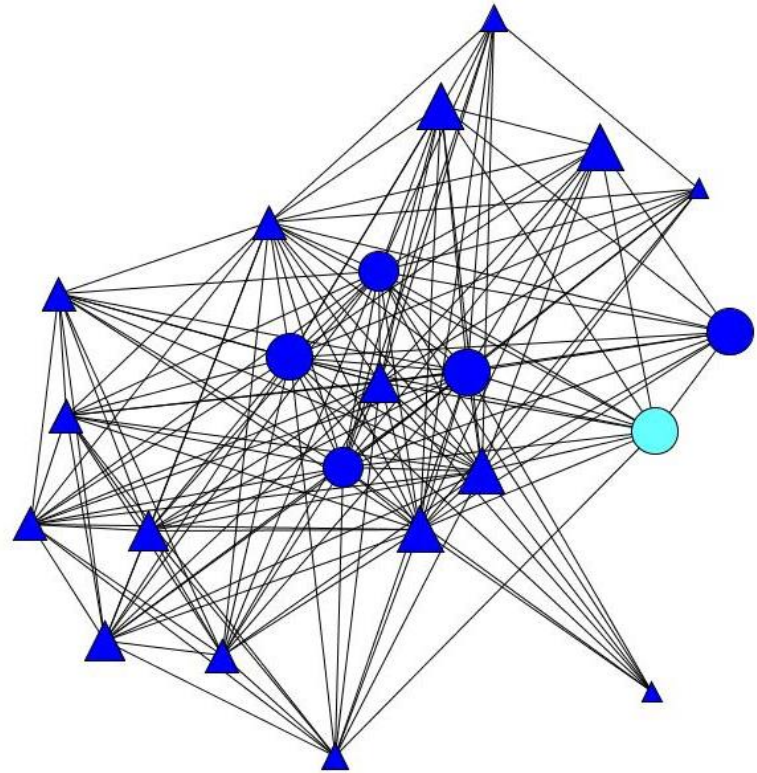
Local ties

Transnational ties

# Results: case II

## Hindu man (grown up in Andorra): Local connections in a family business

- 3 shops in Andorra (family business)
- Small business (5 employees)
- Totality of local ties
- Most of them are strong ties
- Dense network, probably due to the short context and the business dimensions
- All the ties having more betweenness (clearly located in the centre of graph) are some of the closest contacts



Women



Men



Local ties

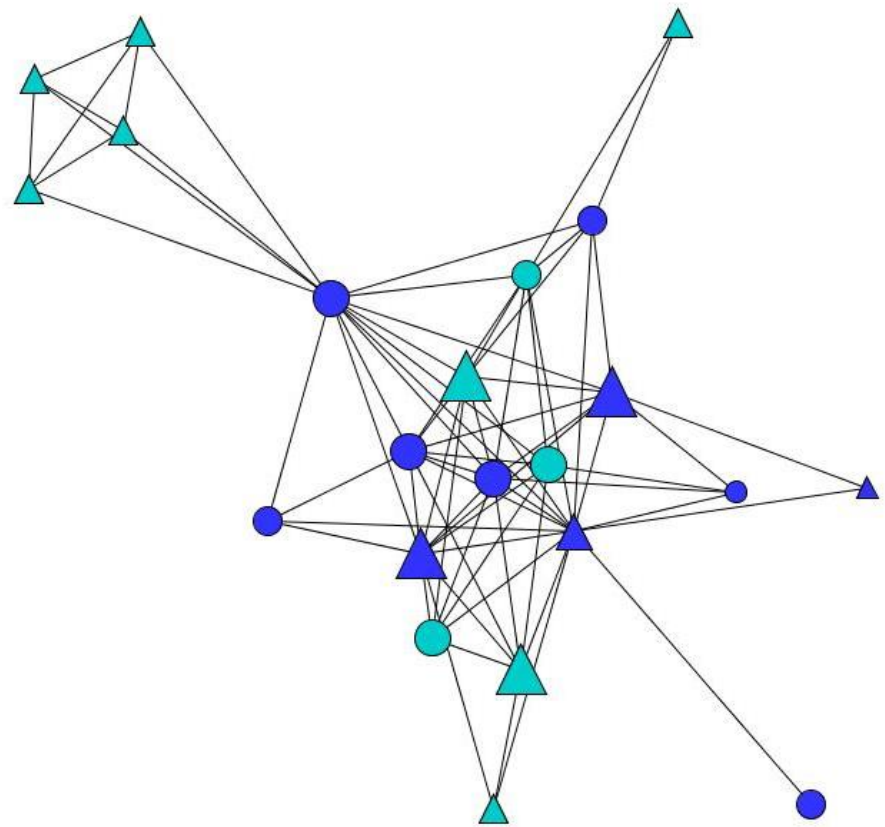


Transnational ties

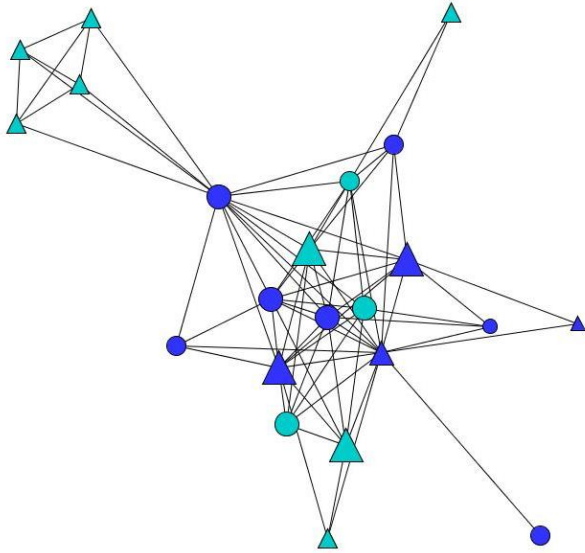
# Results: Case III

## Catalan- Andorran man: Several transnational businesses

- 3 businesses in Andorra and Spain.
- Big business (about 20 employees)
- Transnational ties in Morocco, Spain and France (collaborations)
- No cross-border ties
- Higher betweenness in some weak ties (not related to high closeness)
- Structural hole (Highest betweenness)
- Some weak ties are crucial within the business network
- Very few strong ties (not close contacts) and importance of local ties

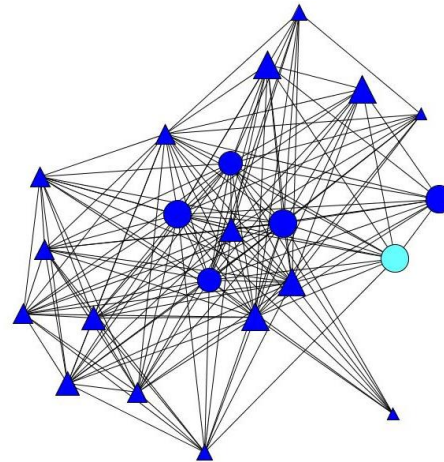


# Results



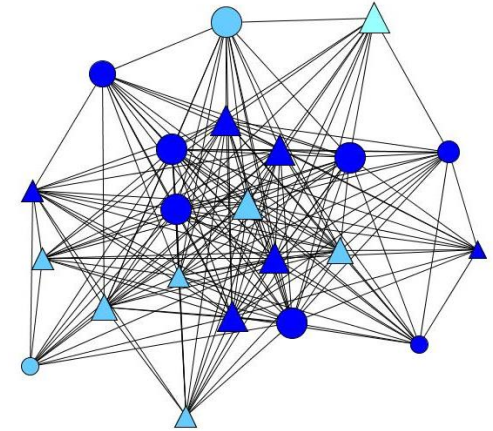
## Transnational Network

- Nodes from different countries
- High dispersion of network
- Structural Hole (linkage between two groups)
- Mostly weak ties



## Local Network

- Nodes from one country/city
- High density of network
- Good connection among all nodes
- Mostly strong ties

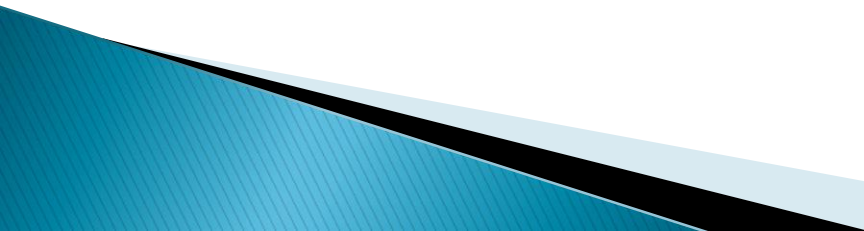


## Cross-border Network

- Nodes from two countries/cities
- High density of network
- Good connection among all nodes
- Strong ties connected to weak ones (**intermediates?**)



# Preliminary conclusions

- ▶ The **local** and **cross-border relations** are different from **transnational** ones, not only in legal or geographic terms, but also in their role in the **network**.
  - ▶ The **micro-state context** facilitates the access to **local ties**, increasing the business viability.
  - ▶ The small businesses success seems to depend on the “**density**” of the entrepreneur’s network, as well as do mixed embeddedness and a more dispersed network in bigger businesses
  - ▶ The period of **residence** and the number of **local contacts** is crucial the business success (Legislative restriction effects).
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# Thank you!

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Social entrepreneurship: local embeddedness, social networking sites and  
theroretical development – ENCLAVE (2013-2015). MINECO (CSO2012-32635).