

Transnational and cross-border Networks in a Microstate context

The particular case of Andorra



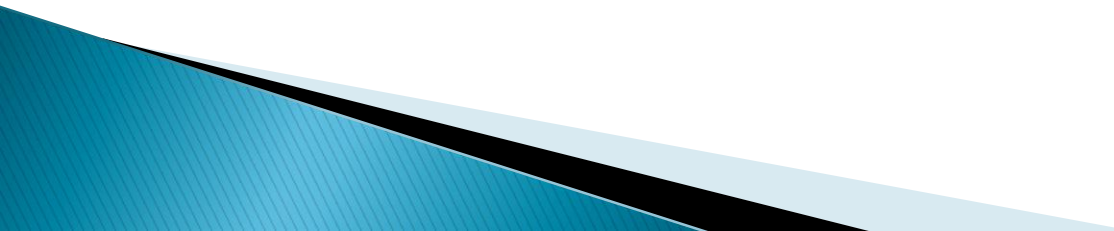
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Government of Andorra,
ATCR2011/2014-0008- AND

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

Contents

- ▶ Theoretical framework and Microstate characteristics
 - ▶ Research questions
 - ▶ Methodology
 - ▶ Some network models
 - ▶ Preliminary conclusions
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Immigrant entrepreneurs (Theories)

- ▶ Immigrants' desire to leave their marginal positions in the labour market (Solé & Parella, 2005)
- ▶ Importance of mixed embeddedness to maximize new resources and opportunities (Anderson & Miller, 2003; Portes et al., 1999; Guarnizo, 2004; Shane & Venkatamaran, 2000; Arjona & Checa, 2006; among others)
- ▶ Weak ties (*non close* contacts) tend to be crucial in the starting-up of business (Granovetter, 1973; Yoon, 1995; Chell & Baines, 2000; Arjona & Checa, 2006)

Location and General features



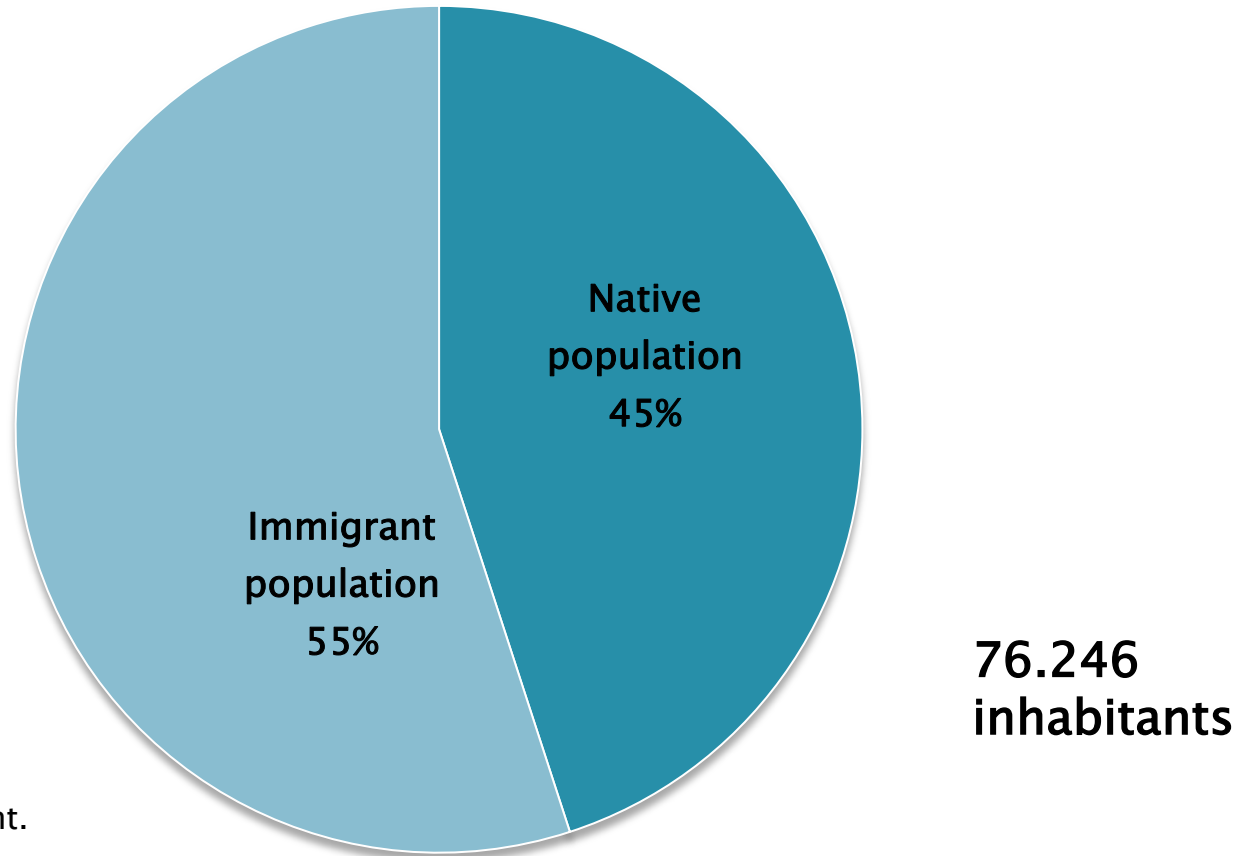
468 Km²

Microstates

(Does size matter?)

- ▶ Important influxes of immigrant labour (Houbert, 1980, Baldacchino, 1993).

Population rates in Andorra (2012)



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

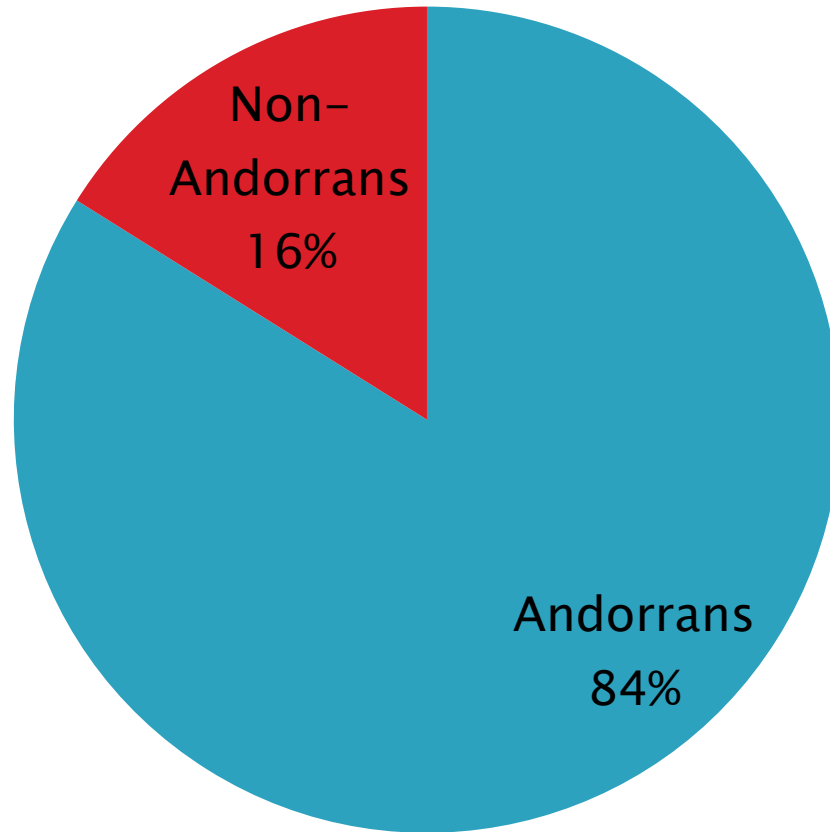
Microstates

(Does size matter?)

- ▶ Important influxes of immigrant labour (Houbert, 1980, Baldacchino, 1993).
- ▶ Particular governance and policies due to small jurisdictional size (Baker, 2002; Grydehoj, 2011)
 - → Specially concerning to immigrant groups, in the Andorran case

Immigrant businesses in Andorra

(Groups distribution in 2012)



7.337
Registered businesses

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

Microstates

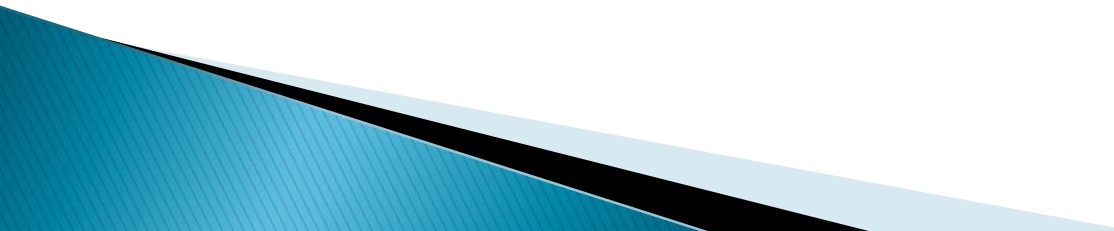
(Does size matter?)

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- ▶ Particular governance and policies due to small jurisdictional size (Baker, 2002; Grydehoj, 2011)
 - → Specially concerning to immigrant groups, in the Andorran case
- ▶ Microstates tend to have particular economic structure and development strategies (Grydehoj, 2011; Baldacchino, 1993)

Research questions

- ▶ What is the source and the role of social support in the starting-up and running of immigrant managed businesses in Andorra?
- ▶ What are the available social capital resources flowing through the network and how important are they in the entrepreneurial activity process?
- ▶ How do the legislative context and the country size influence...:
 - The support that can be drawn from personal networks
 - The network characteristics (Cope, density and ties' characteristics features)
 - The strategies for the running and maintenance of businesses

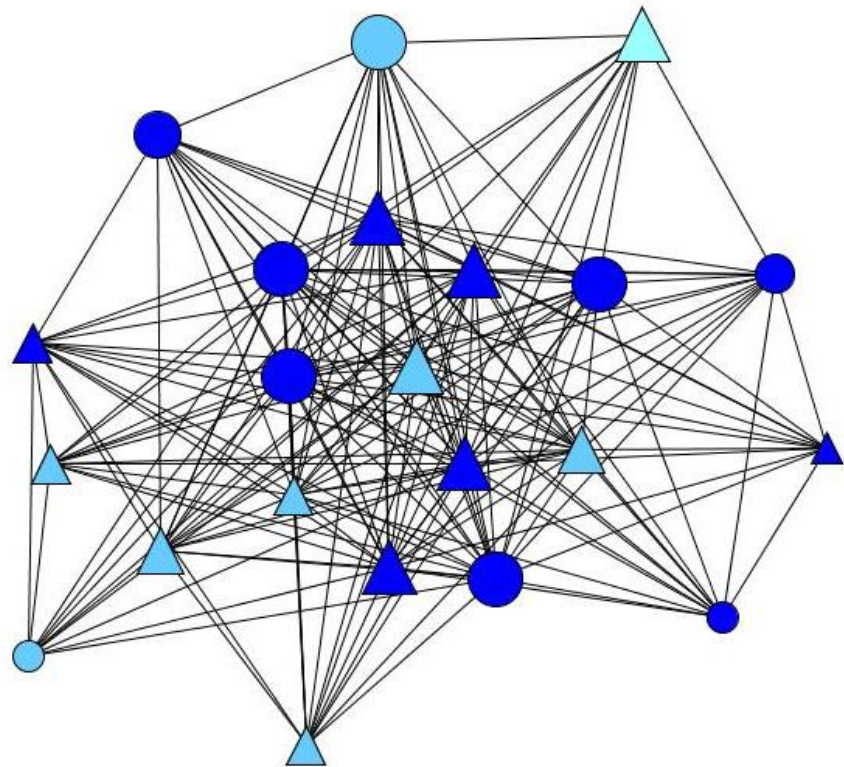
Methodology: Mixed-Method interview

- ▶ 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)
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Results: Case I

Spanish woman: Started to live and work on the border

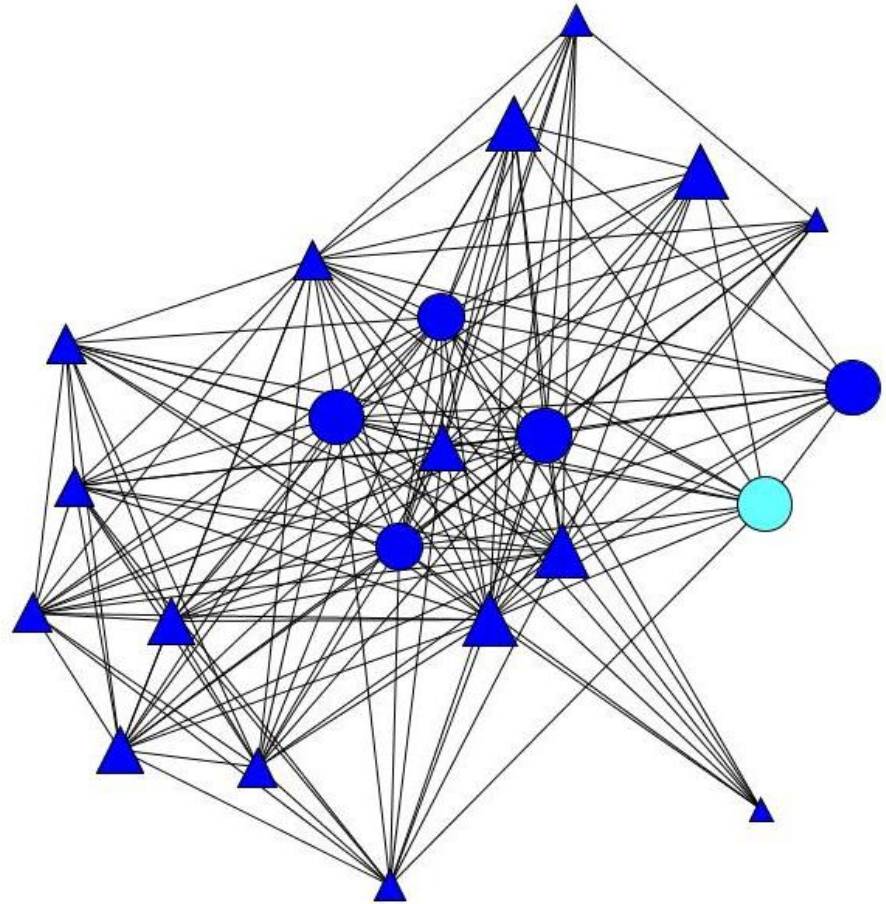
- 1 restaurant at 1 mi from the Andorran Border
- Small business (4 employees)
- The contacts are half and half from both sides of the border
- Dense network, probably due to the small context and the business dimensions
- High betweenness rate in most of the contacts. Very important for a little business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



Results: case II

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

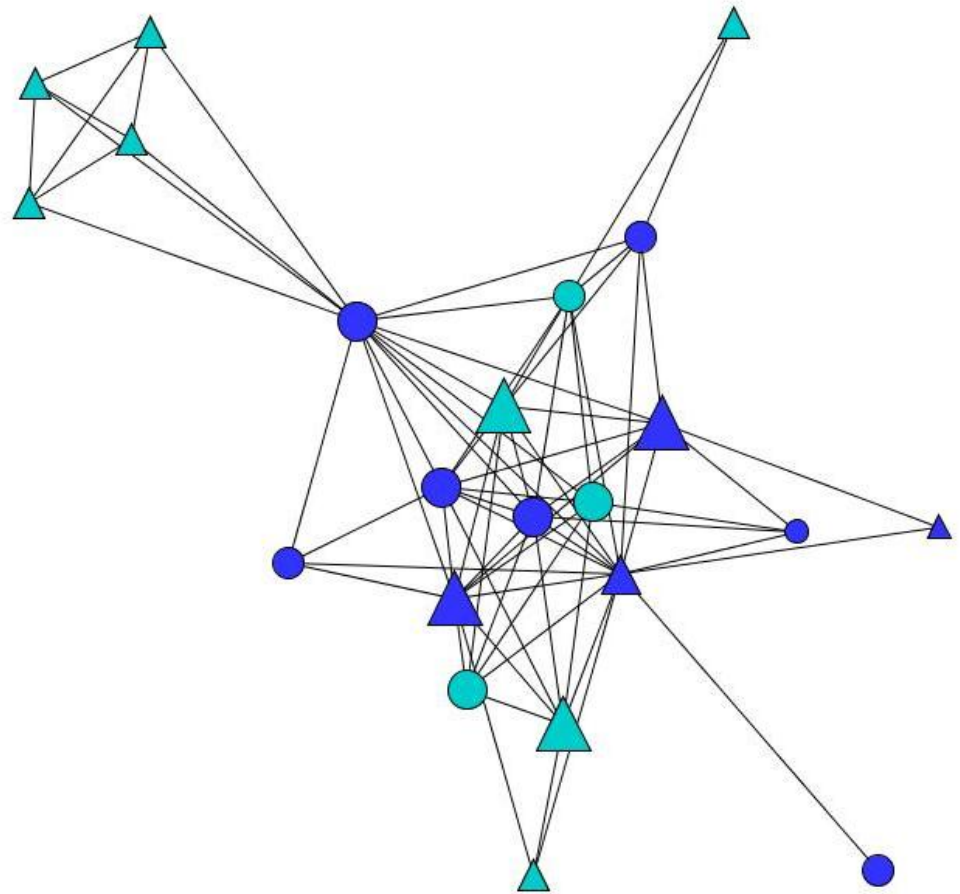
- 3 shops in Andorra (family business)
- Small business (5 employees)
- Totality of local ties
- Most of them are strong ties
- Dense network, probably due to the short context and the business dimensions
- All the ties having more betweenness (clearly located in the centre of graph) are some of the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



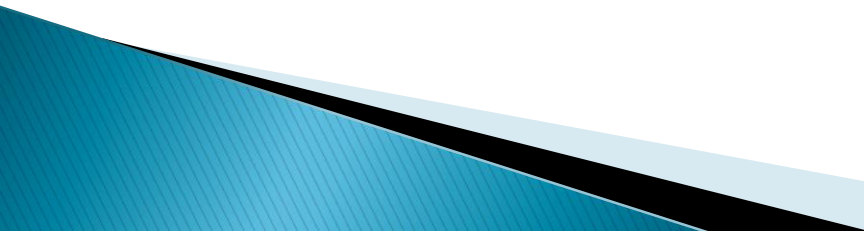
Results: Case III

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



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!

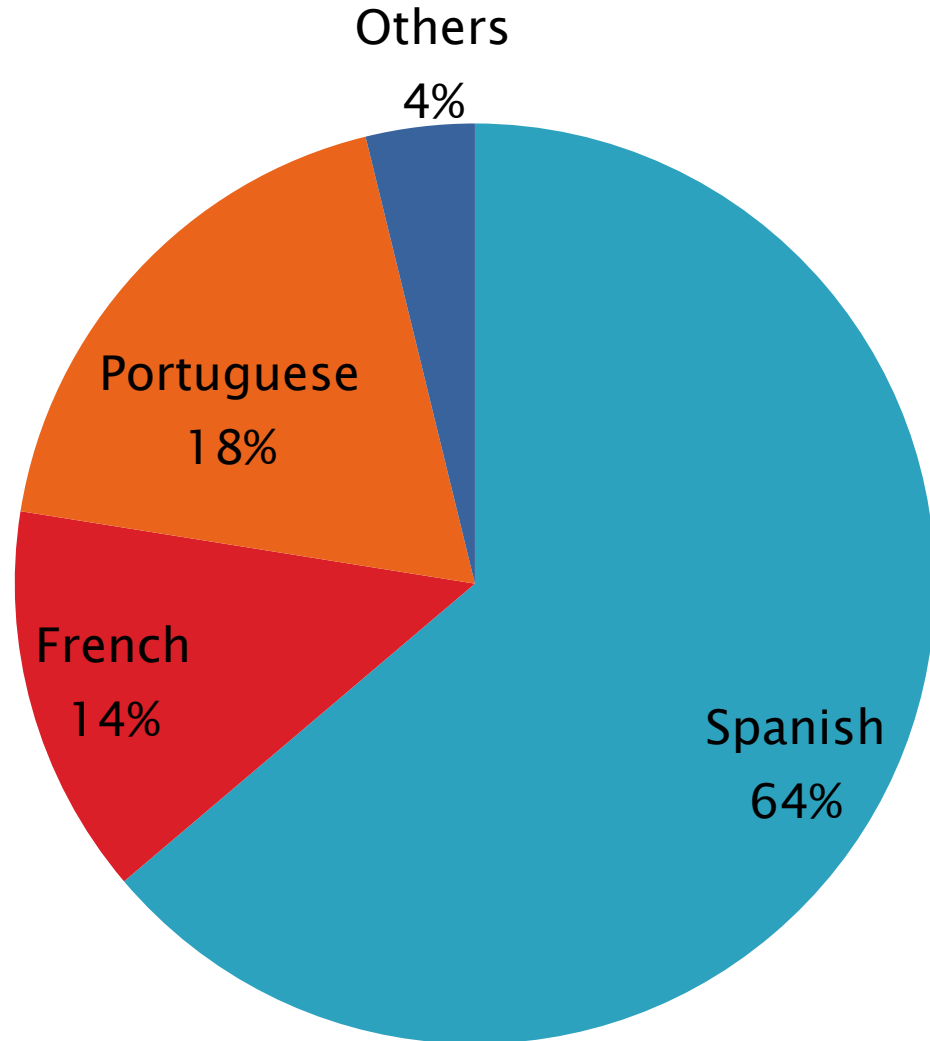
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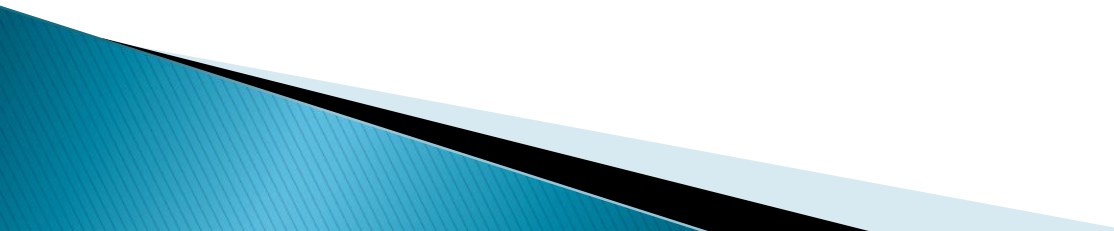
Social entrepreneurship: local embeddedness, social networking sites and
theroretical development – ENCLAVE (2013-2015). MINECO (CSO2012-32635).

Immigrant businesses in 2012 (Groups distribution)



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

Egonet questionnaire

- ▶ Computer assisted structured interview applied with *Egonet* software
 - ▶ Aim: To obtain information about the entrepreneur's personal support network and its attributes
 - ▶ To delineate the network, I used 6 name generators asking for different support types (economic, legal, figurehead, logistic, emotional and other)
 - ▶ 22 contacts minimum per network
 - ▶ Information about each alter (to capture network composition) and about the relationships among these alters (to capture network structure)
- 

The social capital measures

		¿Conoce a alguien con esta profesión?	Sexo	Proximidad (0- 5)	¿Esta persona ha contribuido a su negocio de alguna forma? ¿Cuál?
Pintors, envernissadors, empaperadors i similars	Otro país				
	Andorra				
Perruquers, especialistes en tractaments de bellesa i treballadors similars	Otro país				
	Andorra				
Directors d'empreses amb deu assalariats o més	Otro país				
	Andorra				
Advocats	Otro país				
	Andorra				
Enginyers en electrònica i telecomunicacions	Otro país				
	Andorra				
Agents de viatges	Otro país				

Semi- structured interview

- ▶ Aim: To obtain a personal interpretation and validation of the network, as well as the relation with the success of the business
 - ▶ Personal experiences and perception of the entrepreneur about the network
 - ▶ Information about the kind of business or businesses, structure, and relationship with the country of origin (or other countries).
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