

# Personal support networks and immigrant entrepreneurs in a Microstate context

The case of Andorra



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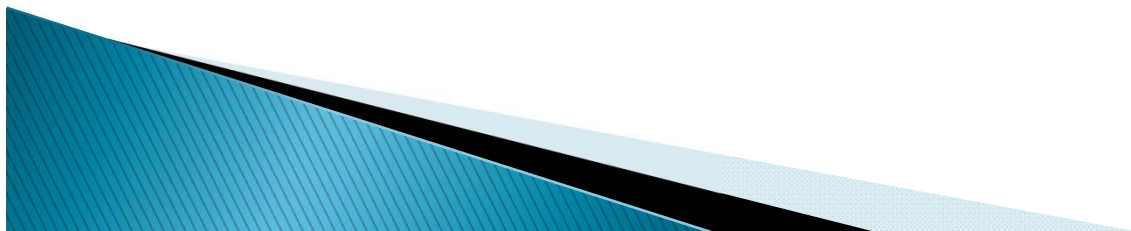
Government of Andorra,  
ATCR2011/2014-0008- AND

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

# 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 (Yoon, 1995; Chell & Baines, 2000; Arjona & Checa, 2006)



# Location and General features



290 mi<sup>2</sup>  
468 Km<sup>2</sup>

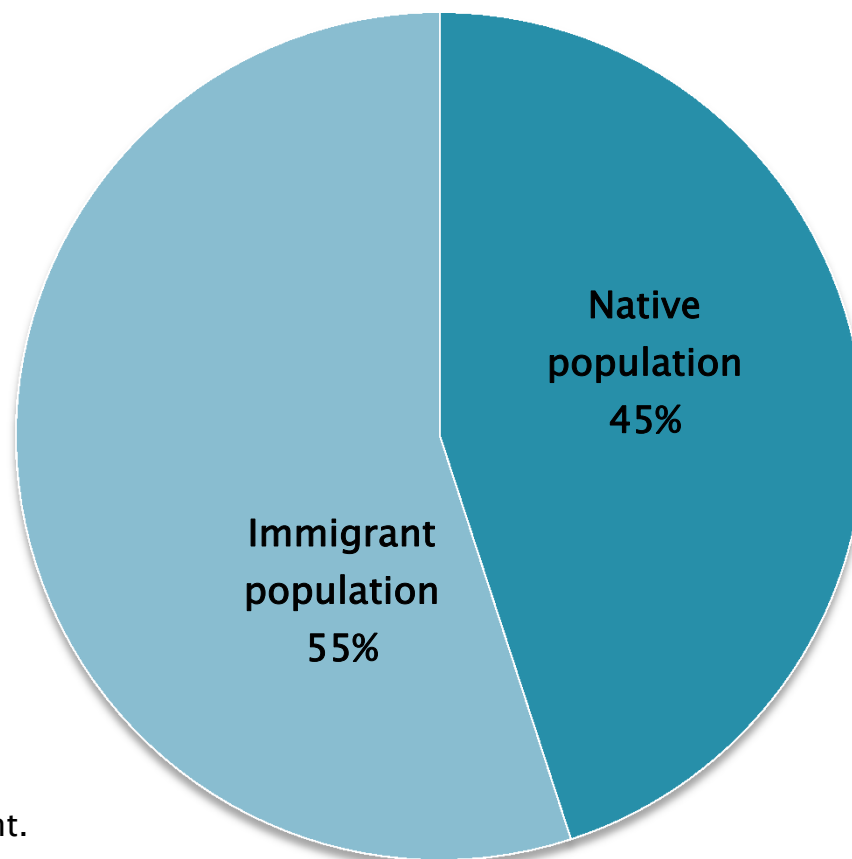
# Microstates

(Does size matter?)

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



# Population rates in Andorra (2012)



**76.246**  
inhabitants

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

# Microstates

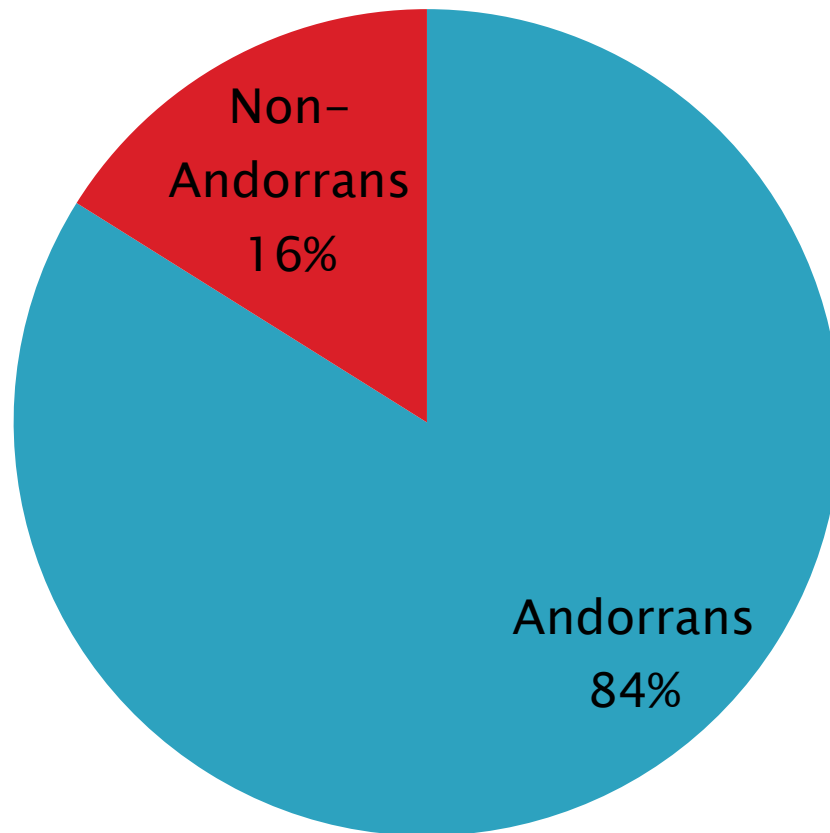
## (Does size matter?)

- ▶ 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)



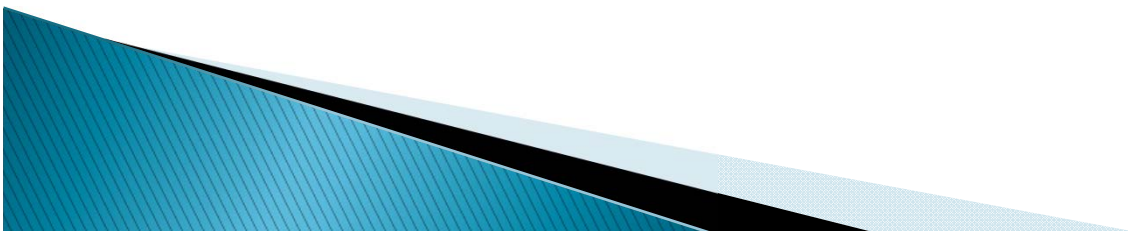
**7.337**  
**Registered businesses**

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

# Microstates

## (Does size matter?)

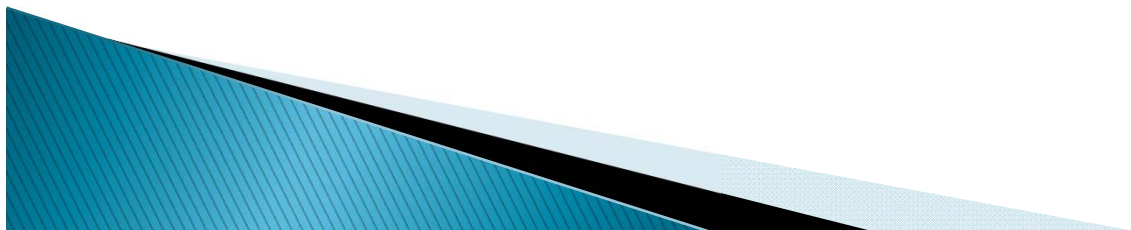
- ▶ Important influxes of immigrant labour (Houbert, 1980, Baldacchino, 1993).
- ▶ Particular governance and policies due to small jurisdictional size (Baker, 2002; Grydehoj, 2011)
  - → Specially concerning to immigrant groups, in the Andorran case
- ▶ Microstates tend to have particular economic structure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



# Methodology: Mixed-Method interview

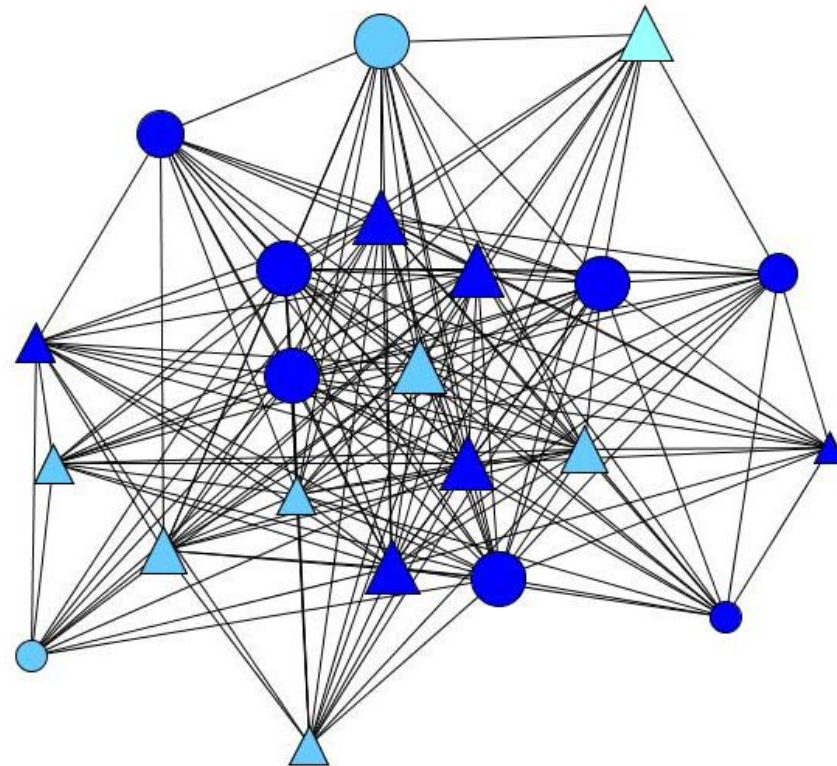
- ▶ 50 cases (migrant entrepreneurs and some Andorran ones as a control measure)
- ▶ Structured interview
  - *Egonet* questionnaire (in order to visualize the entrepreneur's support network and its characteristics)
- ▶ Semi- structured interview (To obtain a personal interpretation and validation of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

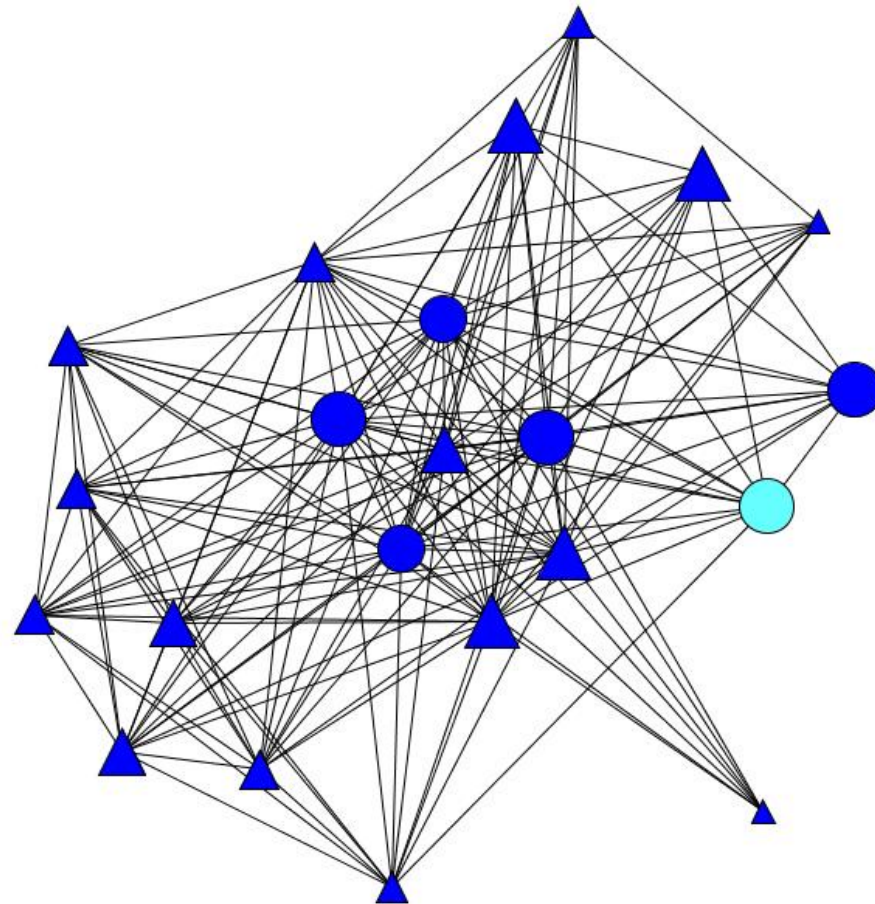
- 1 restaurant at 1 mi from the Andorran Border
- Small business (4 employees)
- The contacts are half and half from both sides of the border
- Dense network, probably due to the small context and the business dimensions
- High betweenness rate in most of the contacts. Very important for a little business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

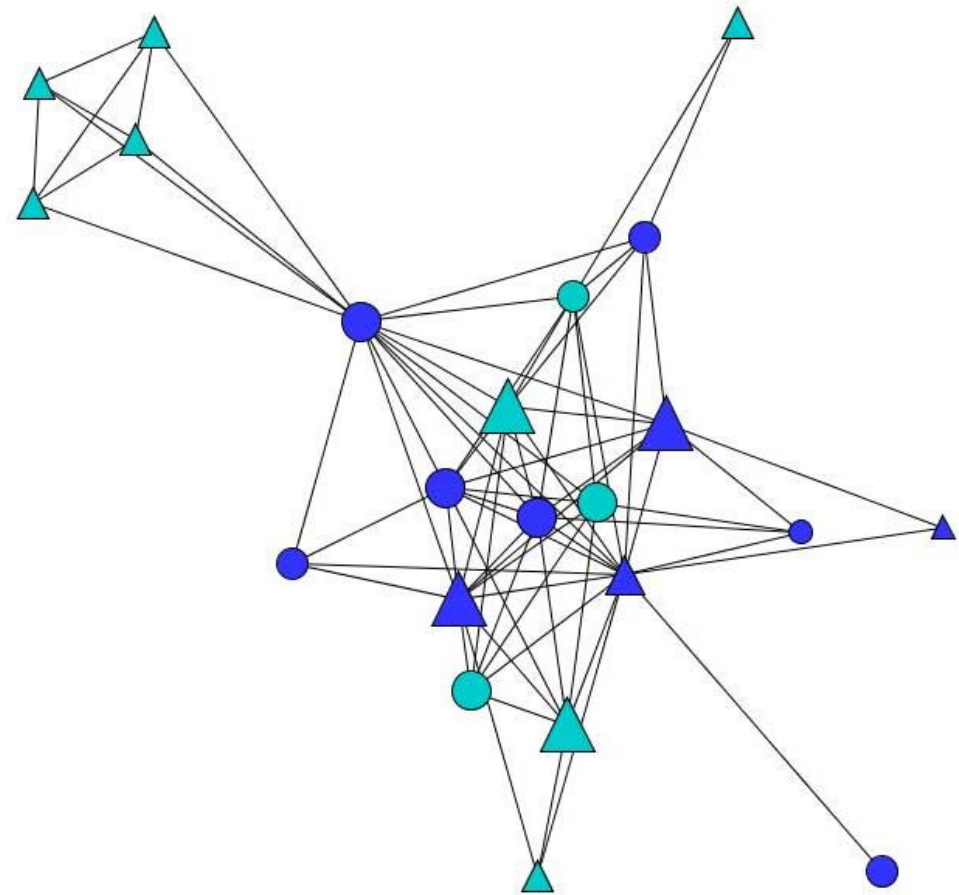




# Results: Case III

## 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** (Legislative restriction effects) is crucial for the business success in Andorra.



# Thank you!

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Social entrepreneurship: local embeddedness, social networking sites and  
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