



# Immigrant entrepreneurship

– the case of Lithuanian immigrant entrepreneurs  
in rural East of England

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Swedish University of Agricultural Sciences, SLU

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# Immigrant entrepreneurship – the case of Lithuanian immigrant entrepreneurs in rural East of England

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## Abstract

The interplay of migration and entrepreneurship has been shifted to a significant research area by the continuous increase of immigrants as a share in the population of countries, that are considered to be having a high attractiveness towards migrants. The United Kingdom has been pronounced as one of the countries receiving the biggest flows of immigrants. It has led to increasing immigrant self-employment, particularly in the areas with a high immigrant concentration. Considerable numbers of Lithuanian immigrants have established themselves in rural areas in the East of England region, and some of them eventually got engaged in entrepreneurial activities. Despite the country's business-friendly environment, immigrant entrepreneurs still encounter challenges that significantly constraint their business, both establishment and performance. Challenges and constraints that immigrant entrepreneurs face in a host country are caused by the interplay of various contexts such as social, economic, cultural, institutional, etc. that immigrant entrepreneurs are embedded in. Furthermore, entrepreneurship in a rural context is respectively associated with even more obstacles. There are less developed and available local services and infrastructure compared to urban areas, long distances, which eventually lead to limited access to essential resources and capital, necessary for a viable business.

In this thesis, I analyse Lithuanian immigrant entrepreneurship in the UK and contexts mentioned above, which impact immigrant business performance and can be perceived as push and pull factors. Through semi-structured interviews with Lithuanian immigrant entrepreneurs, I explore the perceptions of Lithuanian immigrants' experience in their entrepreneurial activities based in the East of England region through the lens of mixed embeddedness concept. More specifically, I investigate different social, economic, and institutional contexts that Lithuanian immigrants are embedded in. In order to illustrate the mixed embeddedness concept, which aims to incorporate co-ethnic social networks and links between immigrant entrepreneurs and the economic and institutional context in the host society, I present a case study of Lithuanian immigrant entrepreneurs in rural East of England. The research study was conducted during the pre- Brexit period when immigration to the UK was seen as one of the central factors in the Brexit debate.

*Keywords:* immigrant entrepreneurship, rural, mixed embeddedness, migration, co-ethnics, entrepreneurs.

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## Abbreviations

CFE	Centre for entrepreneurs
DEFRA	Department for Environment, Food and Rural Affairs
ENF	European Migration Network
EU	The European Union
EU15	Number of EU countries prior to the EU enlargement in 2004
EU8	8 countries that joined the EU in 2004
IoD	Institute of Directors
NVQ	National Vocational Qualifications
ONS	Office for National Statistics
UK	The United Kingdom

# 1. Introduction

## 1.1. Research rationale

Since the UK has been seen as an attractive destination country for many Lithuanian migrants, forming one of the biggest Lithuanian diasporas outside of Lithuania, certain areas have turned into immigrants high-concentrated settlements. Over two hundred thousand of Lithuanian immigrants (ONS, 2018) have spread across the UK, while some of them have settled down in regions, namely rural areas. The barriers associated to migration such as social and labour integration, discrimination on ethnicity and even exclusion due to the lack of relevant human capital or simply a homesick have not scared newcomers from Lithuania off pursuing happiness. Most of the Lithuanian immigrants established themselves in the East of England region (ONS, 2018), which is known for not merely producing high human capital, but also for being rich in high-quality agricultural land. In line with this, well-developed agriculture and food processing industry has been in need of unqualified labour capital (CPIEC, 2018), which as a result has attracted many labour migrants from Eastern Europe including Lithuania, thereby creating Lithuanian ethnic groups across the region. As Chrysostome and Arcand (2009) underlined, the size of the ethnic community determines the market size, hence the bigger the community, the bigger the ethnic market, which for many new-entrants to entrepreneurial activities is a starting point. Although generally, immigrants are more likely to set up a business than similarly skilled native-born workers (Verheul et al. 2001), they relatively face more constraints. It often leads to complex situations with an array of challenges towards accessing the fundamental resources for business establishment and performance. Lack of financial and human capital has been cited as the most prevalent obstacles for immigrants to enter entrepreneurial activities (Chrysostome and Arcand, 2009; Kloosterman, 2010). Immigrants' background in terms of human capital that they bring along is the key to determining immigrants' capacity to handle business. Drawing on Munkejord (2017) findings, starting up own business has been seen as a result of lack of host country's language skills, low educational background, or not recognized academic diplomas in the host country. According to the author, these disadvantages have

been considered the trigger for steering immigrants' willingness to become entrepreneurs. However, drawing on Kloosterman et al. (1999) findings, immigrant entrepreneurs lacking both in financial and human capital can only afford setting up a small, labour-intensive and mainly low-skill business, that is often based on long work hours. On top of that, even more challenges tend to occur to immigrant entrepreneurs embedded in the rural context, which is typically associated with less developed and available local services and infrastructure than in urban areas (Audretsch and Fritsch, 1994). In general, rural areas are seen to be bounded by small local markets, long distances, sparse population and constrained access to financial capital, which in turn results in limited growth of rural enterprises (Meccheri and Pelloni, 2006).

Nowadays, migration is perceived as a widespread social phenomenon with its challenges that societies encounter in one way or another. Therefore, immigrant entrepreneurship literature has been developing to investigate and represent socio-cultural, economic and institutional contexts of immigrants' entrepreneurial activities. However, there is still a gap identified in the explanatory literature of immigrants' mixed embeddedness, particularly in rural areas, since most studies have been done on urban areas (Kloosterman et al. 1999). Therefore, the study aims to fill the literature gap while contributing to the understanding of immigrant entrepreneurship in rural areas by focusing on Lithuanian nationals which make up one of the largest immigrant group in the UK. The study has been carried out on Lithuanian immigrant entrepreneurs in order to get their insights on migration and entrepreneurship interplay. Challenges and constraints that are prevalent among the specific ethnic group entrepreneurs were investigated through the lens of mixed embeddedness theory. This thesis explores the generated themes, based on empirical data and theoretical concepts by providing Lithuanian immigrant entrepreneurs' perceptions of their mixed embeddedness in the immigrant entrepreneurship context.

## 1.2. Purpose of the study

The purpose of the research is to explore and understand the perceptions of Lithuanian nationals on immigrant entrepreneurship in rural areas through the lens of the mixed embeddedness theory.

## 1.3. Specific objectives

- **Objective 1:** was to capture and explore different experiences of immigrant entrepreneurs towards their entrepreneurial activities.

- **Objective 2:** was to investigate immigrant entrepreneurship contexts that influence Lithuanian immigrants' business performance in rural East of England.
- **Objective 3:** was to analyse the embeddedness of Lithuanian immigrant entrepreneurs in rural East of England and to understand immigrant entrepreneurship processes.

## 1.4. Research questions

The theoretical discussions of concepts related to immigrant entrepreneurship and the gap in the literature made me pose the following research questions. The research study was based on two research questions that are designed to complement each other. The questions are stated as follows:

1. How do Lithuanian immigrant entrepreneurs experience and understand the embeddedness of their business?
2. How do Lithuanian immigrants take stock of their mixed embeddedness?

## 1.5. Outline of the thesis

The thesis is divided into seven chapters, and the rest of the paper is organized as follows: chapter two introduces a thematic background with a focus on defining rural context. Chapter three represents immigrant entrepreneurship theories and perspectives followed by the mixed embeddedness concept used in the study. Chapter four describes the research methods together with the whole methodological framework employed in research. Next chapter presents the empirical findings of the collected data followed by the presented analytical discussion of the results in chapter six. Lastly, chapter seven presents thesis conclusions and limitations of the study.

## 2. Background

This chapter highlights the migration situation with a focus on the immigrant entrepreneurial context in the UK. As a specific group of the research, Lithuanian immigrants are introduced together with their migration pattern to the UK. Further, rural context is presented to define and introduce the interplay between entrepreneurship and rural areas.

### 2.1. Immigration to the UK and entrepreneurship perspective

Immigration to the United Kingdom (UK) has been the key subject of the sensitive public debates, particularly for the past years. With the turn of this century, especially following the European Union's enlargements in 2004 and 2007 (Clark et al., 2017; Longhi and Rokicka, 2012; Alba and Foner, 2015) migration pattern to the UK has remarkably changed. Consequently, it has encouraged many individuals from Eastern European countries, which were considered low-income countries, to migrate to high-income societies to improve their economic prosperity (Alba and Foner, 2015). Therefore, the increasing inflows of immigrants to the UK have not only noticeably changed the image of advanced urban economies. It has also impacted regional and rural areas in the UK where many immigrants have established themselves and eventually started a business. Findings made by Longhi and Rokicka (2012) revealed that immigrants from the EU8 countries have preferred to spread across the regions than to settle down in big urban areas in the UK.

There is no globally accepted definition of *an immigrant*, but it can be simply defined as an individual who has come to settle in a foreign country (Neville et al., 2014). Also, immigrants by definition can be perceived as "*outsiders*" especially in the context, where national identity is one of the key aspects of self-categorization (Ha and Jang, 2015). In this discourse, especially during the past years in the context of Brexit, immigrants in the UK have been seen as some threat towards national welfare. Therefore, it has turned immigration to be having a rather negative connotation than positive. In general, there is a perception that migrants arriving in

the UK are taking jobs and depressing wages. According to the Centre for Entrepreneurs (CFE) and DueDill (2014) survey, public opinion polls showed that immigrants are generally seen negatively, and that immigration is one of the most important electoral issues for the British public.

Nationals from the newly joined countries were granted a right to work in Western Europe, which has generated fears of low-skill immigrants from the Eastern European countries. Consequently, only Ireland, Sweden, and the UK from the Western European Countries (EU15) did not impose any immigration restrictions (Longhi and Rokicka, 2012). Therefore, it was a crucial factor that has been followed by the massive inflow of immigrants to the UK. During the first five years, the UK had received over 1,4 million immigrants from the Eastern European countries (EU8) (James and Karmowska, 2012).

When it comes to immigrant entrepreneurship, the United Kingdom, contrarily than other highly regulated advanced economies in the EU such as Germany, Austria, has been seen as a deregulated state towards the business environment. The state did not put any restrictions on immigrant entrepreneurial activities to protect indigenous entrepreneurs' position opening up a market space. Therefore, the UK has been seen as far more business-friendly than the rest of EU countries (Ram et al., 2017). According to the report of migrant entrepreneurs (CFE and DueDill, 2015), immigrant entrepreneurs were found to be the founders of one in seven of all UK companies. Therefore, in much of the public discourse towards immigrants, the latter should be rather perceived as job-creators than job-takers.

Moreover, there is a prevalent notion that becoming self-employed in the UK is very easy and convenient. In line with this, Davidaviciene and Lolat (2016) 's findings represented the UK as one of the most attractive countries (Sweden, Netherlands, France, Finland) when it comes to e-government service and e-infrastructure for creating business and solving self-employment issues. This could be a fundamental advantage for ventures established in rural areas, which are relatively far from governmental institutions. The real situation is quite different. According to the survey of migrant entrepreneurs (IoD and mi-Hub, 2016), the findings revealed that apart from the limited access to financial support and language boundaries, the immigrant entrepreneurs stressed the lack of knowledge of both governmental and not governmental schemes designed to help nascent business. Most importantly, poor social networks were underlined as the biggest obstacle, especially for those, who started business soon after arrival. As the survey states, these constraints are firmly affecting immigrants' personal life in the host country as well as business success.

## 2.2. Pattern of Lithuanian migration to the UK

This is an important topic of inquiry, as following the breakup of the Soviet Union in the early 90, re-establishment of the state of Lithuania and its accession to the European Union in 2004 with open borders policy, has encouraged many individuals from the low-income country to migrate to high-income societies due to economic perspectives (Alba and Foner, 2015). As a result, the most noticeable wave of migration from Lithuania was captured right away in 2004. Since then, more than 600 thousand Lithuanian citizens have spread across the EU (EMN, 2018), leaving abandoned Lithuanian regions behind. According to the UK statistic figures, outside London, one of the three regions with the largest non-British national populations is East of England. Lithuanians following Polish and Romanians stood at 44 thousand, which accounts for nearly 25% of all the Lithuanians residing in the UK (ONS, 2018). East of England is the most densely populated region in terms of Lithuanian immigrants. As already mentioned, the East of England region is considered to be rich in high-quality agricultural land. In line with this, well-developed agriculture and food processing industry has needed unqualified labour capital (CPIEC, 2018), which has attracted many labour migrants from Lithuania. The area also benefits from well-developed infrastructure when it comes to airports, particularly the Stansted and Luton airports, which are probably one of the busiest airports in the UK. These airports are connected to Lithuania's main airports through direct and frequent flights operated by low-cost airlines. Overall, it could also be seen as one of the keys to Lithuanian immigrant distribution across the region.

## 2.3. Defining rural context

In 2017, 9,5 million people, which accounts for 17.0 per cent of England population, lived in rural areas, which are defined as settlements with less than 10,000 resident population and respectively classified into *mainly rural* and *largely rural* categories. The classification is based on populations and settlements patterns; therefore, it does not directly picture how much countryside there is (DEFRA, 2019).

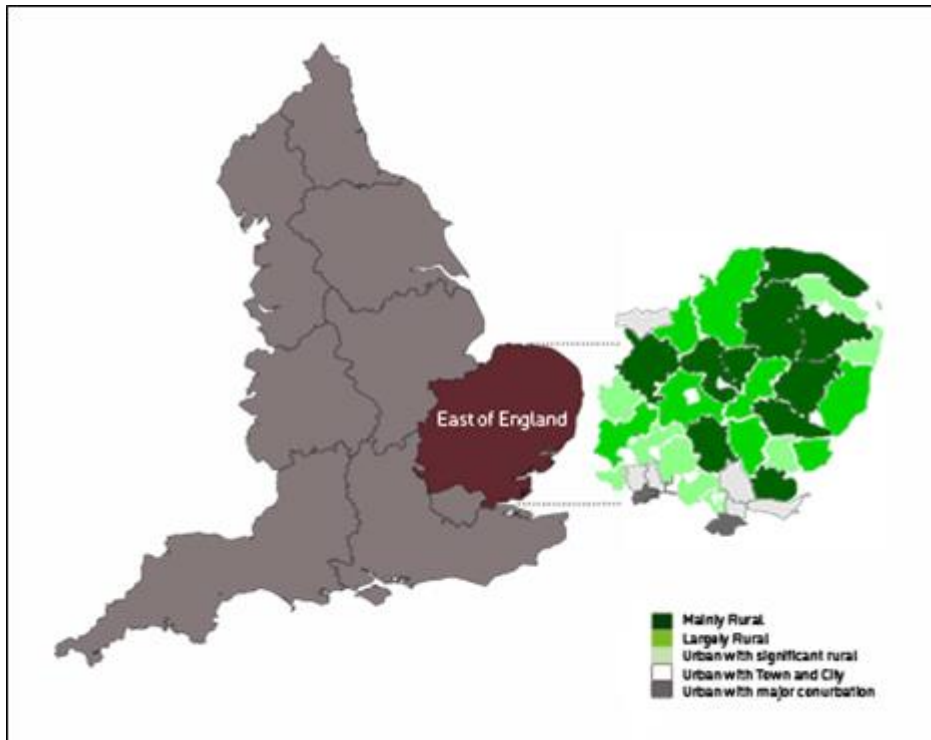


Figure 1. Rural urban classification of East of England. Adopted by the author. Source: DEFRA, 2018

In 2017/18 registered business in rural areas accounted for 24 per cent of all registered business in England, where local units of registered business with up to 9 employees respectively accounted for 70.4 per cent (DEFRA, 2019). More than two-thirds of all registered business in rural England are operating on a very small scale, namely, micro-business, although they do play a significant role in maintaining rural economic viability and social cohesion. However, these rural areas in entrepreneurship are known as areas where service and resource infrastructure are less developed and available than in metropolitan or urban areas, which tend to be hotspots of entrepreneurship (Baptista and Preto, 2011; Mueller et al., 2008). In general, rural areas are characterized as areas facing challenges due to small local markets, long distances, sparse population, constrained access to human, social and financial capital, which in turn results in limited growth of rural enterprises (Meccheri and Pelloni, 2006). These quite evident characteristics tend to influence rural people lifestyle daily and the way they organize their settlement. Nevertheless, rural areas have something to offer, that attracts new incomers as well as makes the locals remain and keep their business going due to the unique resources such as local culture and heritage, or community capital that enable entrepreneurs to turn it into additional value to the area (Müller, 2016). While urban entrepreneurship is characterized as making use of more but weaker ties, scholars stressed the importance of informal networks in rural areas that have been seen to be stronger than in urban areas (Bosworth and Atterton, 2012). Therefore, informal



networks facilitate getting access to fundamental rural business assets by creating and strengthening spatial embeddedness. According to Keeble and Tyler's (1995) findings, individuals who relocated to rural areas were environmentally attracted and subsequently took on entrepreneurial activities that had the know-how towards a successful business. Likewise, Bosworth (2012) pointed out that local nature and landscape are important factors for entrepreneurs to live and work in a rural area.

Therefore, what is meant by rural business? According to Korsgaard et al., the additional value that an entrepreneur brings to the rural and the outcomes that a business generates depend on the "*potentially intimate link between the spatial context and the entrepreneurial activities*" (2015, p. 6). In other words, rural entrepreneurship is based on creating a new value created from spatially bounded resources in a given environment. Lichter and Brown (2011) underline that a rural business location may not necessarily directly affect its area. Korsgaard et al. (2015) differentiate entrepreneurship in rural areas and state, that "*rural entrepreneurship*" and "*entrepreneurship in the rural*" cannot be brought under the same roof. The later one may describe only the location of the business, but have nothing to do with the local market nor local development, hence having low embeddedness, because the business is driven by advantages that are not seen to be returned back to the local area as desired outcomes are not related to the rural development though. In this case, there might be no direct contribution to the area, whereas the entrepreneur neither rely on local labour capital nor create a local product or service delivery because the business is focused on meeting urban market needs.

In contrast, "*rural entrepreneurship*" is more embedded in the local communities and generally rural context in a sense that entrepreneurial activities are "*embedded in its spatial context through resource use*" (Korsgaard et al., 2015, p. 13). Consequently, it makes rural areas more resilient because entrepreneurial activities based on local resources become less dependent on global market fluctuations. In turn, the entrepreneurs are unlikely to relocate since their competitive advantage is linked to the locality (Korsgaard et al., 2015). Therefore, these two types of entrepreneurship in the rural context can be respectively associated with profit-seeking, that is based on economic motives without engaging with the rural location. It can also be characterized by more sustainable rural development that encompasses generating business outcomes for the locality, including community-oriented value creation. However, Lichter and Brown (2011) elaborated on the differences between the business location and its activity area by arguing, that in some cases rural business does not directly affect its area in the sense of economic impact, while plays an essential role in urban networks. The situation can be seen from the other side as well when some business in urban areas significantly affects both rural service provision and rural supply chains (Lichter and Brown (2011)).

According to Bosworth's (2012) three separate criteria namely "*serve rural population*", "*sell a rural product*" and "*located in a rural*" business should meet at least two of the three criteria in order to be a rural business. When it comes to defining "*a rural*" product, according to the author, it should no longer be associated with merely agricultural production. Therefore, drawing on Finke's and Bosworth's (2016) arguments, rural product definition can be built on employing the rural capitals (natural, man-made, cultural, social and human) and values of local community, which can generate value for rural entrepreneurs with access to it. Alongside this, a family's role in rural business is also documented. Referring to Bosworth's (2012) findings, rural business is closely related to family life and relies on family members' support and inputs.

Moreover, the author emphasizes the significance of rural business customer service due to a finite customer base. Contrary to the urban entrepreneurship context, it is fundamental to invest in the interactions with customers that most of the time lead to personal relationships, which subsequently turn into some marketing, that "*is much more about word of mouth*" (Bosworth, 2012, p. 501). Furthermore, drawing on Munkejord (2017) findings, spatial embeddedness is the key to increasing rural-based local belongingness that eventually contributes to local development.

## 3. Theoretical framework

In this chapter, I introduce and describe theories and concepts that I use to draw insights from my empirical findings of Lithuanian immigrant entrepreneurs' mixed embeddedness in rural East of England. I outline the immigrant entrepreneurship theory, which is intertwined with an opportunity and necessity-based and social capital theory. Further, the institutional perspective will be brought up to better understand immigrants' embeddedness in the host society. I also use the theory of mixed embeddedness to link above mentioned concepts to the study and discuss the contexts that Lithuanian immigrant entrepreneurs are embedded in. I eventually explain how these theories and concepts have been combined.

### 3.1. Immigrant entrepreneurship theory

Entrepreneurship has been defined in a number of ways, and it varies depending on scholars' background and which perspective is used to approach entrepreneurship. According to Anderson (2000), entrepreneurship can be seen as a means to create value from an environment or in other words to shift value from an existing utility to higher market value, while (Bosworth and Farrell, 2011, p. 1491) perceive it as *"the strategic investment of all forms of capital, whether human, social or financial, in the pursuit of planned business development goals"*. In line with this, business establishment requires the mentioned resources that are perceived as a fuel for generating a profit but also for growing and developing the enterprise. Entrepreneurship function is no longer associated only with creating economic value, but social, environmental and cultural values are also included (Korsgaard and Anderson, 2011).

Following the literature on entrepreneurship (Dess and Lumpkin, 2005), factors such as a relative advantage in the labour market, access to resources, market opportunity perception and, attitude and experience of new business activity, have been identified towards an individual's propensity to engage in new business activities. Generally, migration per se can be perceived as risk-taking due to uncertainty to some extent in the new environment, while in the entrepreneurship context, risk-taking is a fundamental feature of entrepreneurial activity. As Tang and Tang (2007) emphasize, there is no certainty if the desired services and goods

introduced by an entrepreneur would meet consumers' needs and whether it would generate expected profit. Furthermore, referring to the authors, high-risk aversion and investment decisions are negatively correlated. In other words, the more the entrepreneur exhibits a higher degree of risk aversion, the lower is the earnings.

Ethnic entrepreneurship and immigrant entrepreneurship can be perceived as two categories of mainstream entrepreneurship. Ethnic entrepreneurship aims to satisfy specific ethnic consumer groups in the host country (Evans, 1989). Moreover, ethnic entrepreneurs will likely seek capital and rely on family and ethnic networks. Scholars argue that such networks are beneficial in providing immigrants with easy access to the labour, capital and information resources that are essential at the phase of starting up a business (Kloosterman et al., 1999; Rath, 1999). Contrary, immigrant entrepreneurship ventures are not only limited to serving ethnic consumers and are unlikely to rely merely on co-ethnic labour capital. They are driven by discovered opportunities in the host country and, most importantly, by exploiting them, immigrant entrepreneurs tend to be competitive in the mainstream market (Hunt and Gauthier-Loiselle, 2010). Overall, engaging in business activities can also increase immigrants' economic situation in the long run and facilitate their more inclusive adaptation and integration into the society by becoming familiar with regulations, expanding mainstream network, as well as making both tangible and intangible contributions to the residing and business operating area.

### 3.2. Opportunity and necessity-based approach

Opportunity - based entrepreneurship approach is used to explain entrepreneurs' business, not as the result of causing a change, but rather exploiting the opportunities that create changes in the market (Drucker, 1985). Drucker argues that *“this defines entrepreneur and entrepreneurship, the entrepreneur always searches for change, responds to it, and exploits it as an opportunity”* (1985, p. 28). In other words, it implies that an individual is driven by the identified gap in the market, or situation where his/her capital is exploited in order to generate value. Hence, opportunities are seen to be associated with introducing new goods or services in the market. In line with the above, immigrant entrepreneurs tend to make use of the situation and generally have competitive advantages in developing specific service or products due to the view from *“outside”* (Baumgartner et al., 2013, p. 1107). Migrants coming from elsewhere see and perceive things from a different perspective than indigenous people do. Hence, social and cultural differences and changes created by migration prompt realizing and discovering new opportunities. Also, the individual characteristics of entrepreneurs and personal aspirations such as a desire for independence, flexibility and self-realization, and

career profile development are seen as pull factors for entrepreneurship (Clark and Drinkwater, 2000; Tang and Tang, 2007).

On the other hand, most immigrants seem to be pushed into entrepreneurship as they do not have another way of generating income. Necessity entrepreneurship is referred to individuals, who prior to engaging in business were unemployed. The reasons immigrants face unemployment are closely related to the lack of human and social capital, notably insufficient qualifications and poor language skills often lead to unemployment traps (Munkejord, 2017). Moreover, Munkejord (2017) underlined, that entrepreneurship as a way to avoid underemployment can also be perceived as a push factor. The amount of financial, human and social capital determines immigrants' business capacity in terms of size and skills needed to operate it. Therefore, entrepreneurs lacking both in financial and human capital can only afford setting up a small, labour intensive and mainly low-skill business based on long work hours (Kloosterman et al., 1999).

### 3.3. Social capital and social networks theory

Social capital, which an individual possesses, is perceived as a resource in social networks, which are based on relations and interactions with other people (Inglis and Thorpe, 2012). Bourdieu (1986) argues that social capital occurs through relationships that one makes in his/her life or inherits when one is born into a family. The famous sociologist underlines that social capital can be gained either by being connected to lots of people or having relationships with a small number, but powerful people, who relatively maintain a lot of social capital as well as social connections. Thus, social networks are comprised of multiplex ties that are based on varied strengths. The strength of ties is determined by the combination of time and frequency, emotional intensity, intimacy and reciprocity (Granovetter, 1973). In other words, individuals who have known each other for a relatively long time and their interactions are based on investment in the relationships by helping and supporting each other. As a result, they tend to increase the level of intimacy exchanged in a relationship. Therefore, the stronger the ties, the more investment it requires. In line with this, Granovetter defines two types of ties:

*“Strong ties exist among individuals connected with densely knit, homogeneous networks such as those involving kin and close friends. Weak ties exist among individuals connected within sparse, heterogeneous networks such as those involving acquaintances”* (1973, p. 1213).

Strong ties, differently from weak ties, emerge among individuals who share similar cultural backgrounds and demographic characteristics and have a similar attitude towards certain matters (Granovetter, 1973). According to the author (1973), both types of ties are important in terms of connecting individuals to valuable resources

that respectively provide information or opportunities. From immigrant's perspective, social networks are perceived as ethnic resources, that are fundamental for newcomers to establish themselves and adapt to a host country (Barberis and Solano, 2018; Chrysostome and Arcand, 2009). Social networks are the source of both tangible and intangible resources (Portes, 1995), from providing loans and access to co-ethnic labour capital to important information sharing and emotional support, mostly provided by close people (Chrysostome and Arcand, 2009). As Portes (1995, p. 13) stated, "*social capital is a product of embeddedness*", which has always been associated with reciprocity at some point. For example, getting a loan through a social capital for starting up a business, without a fixed deadline or at least a strict deadline of repaying compared to market institutions, namely banks. Therefore, newly arrived immigrants in the host country firmly rely on social networks such as friends, co-ethnics and family ties. They can obtain information and access ethnic resources, which may outweigh boundaries towards limited capital (Kloosterman et al., 1999). Alongside this, Portes (1995) emphasize that social capital is an asset, which exclusively provides individuals with an array of "*gifts*" that firmly facilitate entrepreneurial activities, however,

*"the ability to obtain such gifts (social capital) does not inhere in the individual, as the possession of money (material capital) or education (human capital) does, but instead is a property of the individual's set of relationships with others"* (p. 13).

Social capital, namely ties of kinship, is a vital resource for an immigrant venture at the very early phases of the establishment. Since hired labour at the beginning is barely affordable, family members can be a source of cheap or even unpaid, informal and reliable labour (Clark and Drinkwater, 2000). Moreover, kinship ties can be a fundamental source of financial capital, which is seen as one of the main obstacles immigrant entrepreneurs face at the early phase of business. It is well illustrated by Kloosterman (2010) when he uses the case of a Kurdish bike repairer in Amsterdam. Although the repairer could not receive any funding from credit sources, the entrepreneur thrives and greatly runs the business because of his social resources that in turn provided with financial support, that he received from his family in Turkey. Also, the repairer's siblings are employed in the business. Without the social capital approach and its advantages, the repairer would not have established the business. Therefore, immigrants directly benefit from being embedded in close family ties that are perceived as strong ties.

### 3.4. Institutional perspective

Institutional framework refers to national regulations and rules that play an essential role in the emergence of business entrepreneurship. Immigrant entrepreneurship

scholars define institutions as a welfare system that involves rules and regulations, prompts business associations and determines market conditions that ultimately affect immigrant entrepreneurs' distribution within a country and shapes their business success (Freeman and Ögelman, 2000; Kloosterman et al., 1999). Therefore, government's policy does influence the newcomers' career choice firstly at some point as well as affects their spatial distribution, which determines access to fundamental resources and ability to use it (Turkina and Thi Thanh Thai, 2013). Likewise, Kloosterman et al. (1999) highlighted that economic trends and markets conditions play an essential role in determining which segments business will likely occur and explain immigrant entrepreneurship. Alongside this, Kloosterman and Rath (2001) pointed out, that opportunity structure regulates access to markets through determining educational and qualification requirements. In turn, markets are embedded in institutions, which affects opportunity structures on national, regional and local levels (Kloosterman and Rath, 2001).

The United Kingdom, contrarily than other highly regulated advanced economies in EU such as Germany, Austria, has been seen as a deregulated state towards the business environment. The state did not put any restrictions on immigrant entrepreneurial activities to protect the position of indigenous entrepreneurs opening up a market space, and in turn, the UK has been seen as by far the more business-friendly than the rest EU countries (Ram et al., 2017). Scholars (Kloosterman et al., 1999) pointed out that institutional framework is one of the key elements of the mixed embeddedness concept that directly determines whether and where and when the openings for immigrant business will occur. Furthermore, high competition and saturated markets alongside host country's regulations and laws, put lots of pressure in terms of conforming to the prevailing regulations on immigrants' businesses, which due to low generated profit or even non-existent income eventually tend to engage in informal activities (Kloosterman et al., 1999; Ojo et al., 2013).

### 3.5. Mixed embeddedness theory

Social science scholars have been looking at immigrant entrepreneurship from different angles in order to understand immigrant enterprises and identify the contexts that influence immigrant entrepreneurship. Kloosterman et al. (1999) introduced a mixed embeddedness theory by arguing, that it encompasses and combines not merely characteristics of embeddedness in social networks, but also addresses other complex contexts such as economic and institutional, that immigrants are embedded in. The mixed embeddedness concept aims to emphasise that immigrant entrepreneurs' enterprises are shaped by the institutional framework of the place where their business is located while at the same time entrepreneurs are

embedded in immigrants' networks of social connections (Barberis and Solano, 2018). Moreover, the theory provides a better and more comprehensive understanding of immigrant enterprises in line with analysing the impact of both the host institutions and social networks on immigrant enterprises. Immigrants are embedded on the one hand in the host country's socio-economic and institutional environments in which they operate, that affect the conditions of the market, and on the other hand, immigrants are intervened to some extent into a new society, that its social and cultural dynamics shape immigrants' context (Kloosterman et al., 1999; Kloosterman and Rath, 2001; Kloosterman, 2010). Therefore, the mixed embeddedness approach portrays how different contexts and to what extent influence immigrants' entrepreneurial activity in complex situations.

Drawing on the mixed embeddedness perspective, Kloosterman and Rath (2001) further elaborated on opportunity structure, that provides local situational conditions to which immigrant entrepreneurs tend to respond by recognising and creating opportunities in the ethnic market due to common cultural background and identity that creates proximity among co-nationals (Kloosterman and Rath, 2001; Kloosterman, 2010). Barberis and Solano (2018) stressed that the interplay of immigrants' human and social capital (skills and resources) and opportunity structure is created by the contextual conditions of the business location. Therefore, opportunity structure can be divided into the following contexts, where the economic context refers to the economic situation (labour market characteristics) and the market conditions (market openness and demand of specific goods and services). Political - institutional context, which is respectively perceived as the set of regulations, laws and policies towards immigration and minorities' business, can positively and negatively affect immigrants' entrepreneurial activity (Ram et al., 2017; Barberis and Solano, 2018). Similarly, Kloosterman and Rath (2001) break down the opportunity structure into three dimensions: the supply, the demand, and the mediator. The supply is usually referred to as an immigrant entrepreneur's characteristics, such as ethnocultural background, social and human capital. The demand stands for opportunities, such as market conditions and economic trends, that significantly affect immigrants' decision to start up a business and determine sectors, in which business tend to occur (Kloosterman et al., 1999). Lastly, the mediator is respectively perceived as the institutional regulations and rules that influence both the demand and supply sides because immigrant entrepreneurs' businesses must comply with the rules and regulations. Kloosterman (2010) argue that opportunities are created or firmly depend on a national institutional framework.

Kloosterman and Rath (2001) stressed the interaction of three spatial scales, namely national, regional/urban and local/neighbourhood. Implementation of regulatory regimes, laws and policies vary depending on a scale, but either way, they are still



crucial in shaping immigrant entrepreneurs' business. For example, drawing on (Ambrosini, 2013) presented local policies, turned out, that it aimed to exclude immigrants. In a few small Lombardy towns, local Italian officials no longer allow establishing new "*ethnic*" restaurants such as kebab shops due to the protection of local traditions.

### 3.6. Theoretical framework summary

All the theories and perspectives introduced in the chapter are combined and utilised in the study to achieve a better understanding of Lithuanian immigrants' settlement in a particular geographical region and their business establishment within a particular economic sector. A combination of the theories and perspectives outlined above leads to an explanatory study that provides a broad understanding of the Lithuanian nationals' perceptions of immigrant entrepreneurship in rural areas through the mixed embeddedness theory lens. Entrepreneurship, in general, is divided into either opportunity or necessity entrepreneurship. Either way, financial and social capitals are recognised as the fundamental factors for establishing a business, especially in the host society. Connections and networks with both co-ethnics and locals turned out to be beneficial for business performance. Likewise, financial capital plays a central role, which often tends to limit immigrants' entrepreneurship opportunities. Particularly it is closely intertwined with social capital and networks because it appears to be quite common that immigrants' strong ties can provide financial support for starting a business. Therefore, a location where immigrant entrepreneurs establish themselves seems to be affected by the interdependence of social, economic and institutional contexts. The weaker the social ties, the less support could be expected, likewise the harder the regulations and the higher the taxes, the less immigrant entrepreneurs tend to turn to business, at least in the beginning. In other words, immigrant entrepreneurs and their business performance are affected by different contexts, which both contribute and constrain immigrants' opportunities toward business.

Most studies of immigrant entrepreneurs have been made in urban areas, where a concentration of ethnic community is high and fundamental resources for business establishment are likely to be available. Since rural areas face relatively more constraints than urban areas regarding immigrant entrepreneurship and its resources, rural areas require both geographical and economic contextualisation. It exposes the local entrepreneurship opportunities that are also determined by social and institutional perspectives. Therefore, to understand the whole immigrant entrepreneurship process, the analysis of immigrants' embeddedness in rural areas is carried out through the lens of the entrepreneurship and social capital theory, institutional perspective and the mixed embeddedness concept.

## 4. Methodological framework

In this chapter, I will present the methodology employed in this study. The first part of the chapter will discuss the research philosophy followed by qualitative case study research design used in this thesis. A research method is presented in the following section, where I discuss how qualitative case study research design was conducted during data collection. Next section presents sampling technique and how it was used for selecting respondents. Lastly, I describe the data analysis framework.

### 4.1. Research philosophical worldview

Philosophical worldview is important due to its theoretical assumptions towards the process of the research investigation. Research philosophy aims to develop a view of the world and generate knowledge influenced by the philosophical worldview in the research development (Mills and Birks, 2014). Therefore, this research study is based on the constructivist (also known as interpretivism) worldview, which refers to the assumption that individuals try to understand their daily lives in the world they live in (Creswell, 2014). Constructivism argues that human concerns and actions are highly related to judgments, reasons, and intentions that human beings produce depending on their values. In line with these philosophical thoughts, a range of externalities, that influence human behaviour, cannot be perceived as simple results that triggered particular human reactions (Mills and Birks, 2014). Data collection is based on the Lithuanian immigrant entrepreneurs' perceptions and insights of their entrepreneurial activities through the mixed embeddedness concept in the host country. Therefore, in order to study these epistemologies and gain a deeper understanding, a phenomenological philosophy was selected as an appropriate way to approach the research study. Phenomenology is generally considered a systematic study of the *lived experience*, distinguishing phenomenology from other qualitative research ways that seek to analyse the human experience (Mills and Birks, 2014). Lichtman (2014) argues that phenomenology aims to look and make sense of lived experiences of individuals that have experienced a particular phenomenon. The phenomenological approach seeks to understand an individual's perceptions of the world around him/her in their

natural settings that are affected by their feelings and motivations. Phenomenology is not merely the study of how particular groups of people see, understand and make sense of particular objects or circumstances. However, phenomenology is concerned with individuals' actions and activities, that affect their interaction with each other (Inglis and Thorpe, 2012). In line with these thoughts, this approach allowed me to see how the world, in terms of experiences based on everyday life intertwined with feelings and emotions, is perceived from the points of view of the Lithuanian immigrant entrepreneurs. The research study was designed to get a deeper understanding of the interviewees' experiences when engaging in different contexts that have influenced immigrants' embeddedness in the rural context by employing a phenomenological research approach.

## 4.2. Qualitative case study

The philosophical worldview and phenomenological approach in this research study aim to develop a clear understanding of humans' experience in Lithuanian immigrant entrepreneurs' context and how it influences their experiential moments in different contexts that immigrants are embedded in. Therefore, it is important to choose a methodology that would not merely align with the researcher's worldview but be based on its suitability to answer the research question (Mills and Birks, 2014).

Since the research study is based on a specific group of people, who share the same ethnic background and are engaged in entrepreneurial activities in a particular geographic region, a case-study was selected as an appropriate research design due to the research characteristics that correspond to the case study goal to consider and treat the total study population as a single entity (Kumar, 2014). Lichtman (2014) points out that a case study approach is associated with a limited characteristic, trait or behaviour that ultimately allows a researcher to identify individuals who have required characteristics. Moreover, a case study can be limited to a situation that is specific or even unique (Lichtman, 2014). Indeed, the case study focuses only on Lithuanian immigrant entrepreneurs in their natural settings by providing an in-depth picture of the study. Mills and Birks (2014) underline that in comparison to other research designs that focus on measurement, case studies are typically employed to answer the questions such as "why" and "how" since they can be based on in-depth research and interaction with research participants. In line, Kumar (2014, p. 155) argues, that a case study design *"is of the immense relevance when the focus of a study is on extensively exploring and understanding rather than confirming and quantifying"*. Also, compared to other research approaches such as ethnomethodology which requires extended periods (Creswell, 2014; Mills and Birks, 2014), the case study design was chosen due to a given limited amount of

time and resources to produce the thesis, although it required lots of time in terms of planning and organising decisions before even the research began.

As Lichtman (2014) highlighted, case-study research became very prevalent as soon as qualitative methods were accepted in science. According to Kumar (2014), the case study is predominantly associated and widely used approach in qualitative research design. Therefore, qualitative methods respectively can be seen firmly linked to a case study approach, whereas it is combined with a phenomenological research approach, which as discussed above aims to extract and gather deeper information in order to recognise and analyse hidden meanings and motivations of the respondents.

Moreover, the qualitative research approach allows a researcher to study and understand a phenomenon better, which is applicable and unique only in his/her research area. A quantitative research approach cannot capture it. Therefore, it is not suitable for the case, because this particular research is not oriented towards calculating the relationship between different variables as well as there are questions asked that cannot be simply studied using numbers (Silverman, 2015). Moreover, qualitative research focuses on "*the nature of social reality*" by providing an in-depth description and understanding of the research participants' experience (Lichtman, 2014, p. 16). This study's qualitative research design is oriented towards examining the immigrants' perceptions and experiences in their social context and looking for an interpretation to establish specific meanings and understand phenomena.

### 4.3. Semi-structured interviews

Case study design encompasses a range of qualitative research methods, including interviews, focus groups, observational fieldwork, or even online research that are specific tools employed to access and gather research data through different forms of interaction with those considered research participants (Barbour, 2014). Since the purpose of the research is to explore the views and experiences of Lithuanian immigrant entrepreneurs towards mixed embeddedness, semi-structured interviews were used as the most appropriate qualitative research method. According to the scholars (Barbour, 2014), it is the most commonly used data collection method in qualitative research, that allows a researcher to gain a deeper perception of the research problem directly from the source. A semi-structured interview is a widely prevalent format in qualitative research due to its dynamics and flexibility; therefore, it was chosen to be suitable for studying individuals' perceptions and opinions.

The semi-structured interview questions were determined before the interviews, although during the interviews, the questions were not highly-structured, and its sequence was not strictly followed. In the research semi-structured interview offered respondents the chance to explore issues that they feel are important, because a semi-structured interview created an informal way of communicating and consequently led to enabling reciprocity between the interviewer and participant. By using the semi-structured interview method, questions were asked in different ways. It gave the researcher the chance to ask questions to let the respondents elaborate and comment on certain responses by telling their stories, opening up and revealing important information in their own way. This data collection method was chosen since it had met the specific fieldwork requirements towards enhancing the research respondents to answer the questions broadly, allowing the researcher to explore the interviewees' experiences and ultimately reflect upon their life story particularly key events in relation to where they are now. Rubin and Rubin (2005, p. 3) stated that in interviews, a researcher "*can understand experiences in which one did not participate*". Therefore, firstly non-sensitive questions were asked in order to put the respondents at ease. Further interview questions were developed and based on respondent's personal immigration story followed by ethnocultural, social and institutional contexts that, according to the literature review, influence immigrant's decisions and actions towards entrepreneurship in rural areas.

The data is drawn from 9 conversational interviews, which 4 of them were arranged face to face while the rest were conducted online through a video call. Due to limited time in line with long distance between the researcher and interviewees and other obstacles such as the respondents' long working hours, unexpected circumstances (family concerns) or even holidays, it was not possible to arrange a convenient meeting with more than half of the respondents. Drawing on Lo Iacono et al. (2016) arguments, apart from convenient audio or video communication across the internet via synchronous (real-time) connection, online interviews are time efficient, whereas saving a lot of time for travelling but also allow an interviewee to stay in the environment during the interview, that they feel relaxed and comfortable in. Furthermore, the online interviews allowed a free and easy way to communicate with the interviewees that were conversant in its use.

All the interviews were carried out with nine immigrant entrepreneurs with up to 11 active employees, which all were situated in predominantly rural areas across East of England. Research participants were informed about both the purpose of the research and format of the interview. Moreover, the researcher had been in personal contact with each of the respondents before the interviews were conducted. It had allowed the participants to get to know the researcher's background and build a reciprocal connection rather than getting to know about each other on the spot during the interview. Each interviewee was asked to sign a confidentiality form,

which ensured their anonymity in research outputs and confirmed their voluntary participation in research with the option to withdraw from the interview at any time as well as to refuse to answer any personal questions.

The interviews were carried out over 45 to 70 min in the Lithuanian language, which is the mother tongue for both the researcher and the research participants. It also ensured smooth conversations without any language barrier. The interviews were recorded; therefore, the respondents were asked in the confidentiality form if they did not mind being recorded.

Even though the interviews were recorded, the researcher, referring to the qualitative research recommendations (Creswell, 2014), was taking notes during the interviews in case the recording equipment fails or errors appear for some reason. Recorded interviews were transcribed into English and used for the analysis. Respondents before the interviews got clear instructions on the interview timeframe and structure. None of the participants received a set of questions prior to the interview; therefore, it allowed the dialogue not to go in preconceived directions from the interviewee's perspective.

#### 4.4. Sampling

Creswell (2014) emphasizes the importance of qualitative research to purposefully select both sites and participants that would help understand the research question. To reflect diversity, the criteria of the research selection were to choose Lithuanian immigrant entrepreneurs who are engaged in various entrepreneurial activities and located in different rural places within the East of England region. As stated before, this region has attracted a large number of Lithuanian nationals due to the high demand for low-skilled labour in agriculture and food processing industry. In order to get a broader picture of the region in terms of immigrants' qualification, self-employment rate, etc., I contacted Local Enterprise Partnership (LEP) hubs, aiming to boost and increase local economic development through innovative projects and various partnership-oriented initiatives. Unfortunately, I was told that this kind of data regarding specific immigrants' characteristics, neither are collected nor held at the local level. Therefore, my assumptions about the immigrant business operating in the East of England were based on common knowledge generated from social media and informal networks and supported by immigrant entrepreneurship literature alongside two statistical facts: firstly, East of England region stands at the third position among all the regions of the UK when it comes to migrants distribution; secondly, Lithuanian nationals residing in the East of England region make up for roughly  $\frac{1}{4}$  of all Lithuanian immigrants based in the UK (ONS, 2018). Therefore, combining these two factors with the immigrant entrepreneurship

reviewed in the thesis, I came to a conclusion, that a high concentration of one specific ethnic group creates market opportunities and demand for serving the ethnic group.

Since I am a non-British citizen and new to the East of England region, having no close connections in the area, that would refer me to potential research participants; it was a challenging task to reach out to the research participants. Firstly, I employed my social network to capitalize on social capital in order to find suitable respondents. However, it did not turn into fruitful outcomes in terms of providing potential contacts. I tried to make use of the Lithuanian language newspapers in the UK together with social media platforms namely Facebook by putting ads on and expanding the search that would hopefully reach out to Lithuanian immigrant entrepreneurs in rural areas. The Lithuanian community in the UK also contributed to the searching by referring me to the local Lithuanian communities in the UK that would help out with the enquiry. Eventually, I managed to get in touch with one of the Lithuanian communities' chairmen in East of England. Although the chairman was not engaged in entrepreneurial activities, she could be seen as a "*key informant*" (Barbour, 2014) due to her well-developed and rich social networks in the area, that eventually got me in touch with the right participants.

The research data collection, as described above, mainly relied on a "*snowball sampling*" technique, which is based on the networks of a few key interviewees in order to reach out to others who might have the same characteristics (Barbour, 2014). Referring to Chambliss and Schutt (2015), even though this sampling technique is used to identify hard-to-reach groups, that usually tend to refuse to be interviewed by a random researcher, generally, Lithuanian immigrant entrepreneurs, except the research participants that agreed to be interviewed, were not enthusiastic about engaging in the research. Therefore, after carrying out every interview, each interviewee was asked to share contacts and identify the people as well as facilitate the process of encouraging others to share their experiences for the research purpose. Finally, the selected immigrant entrepreneurs operating in the diverse industries are based in 5 rural areas including a non-urban area of Peterborough city (Figure 2) and represent a different group of age.

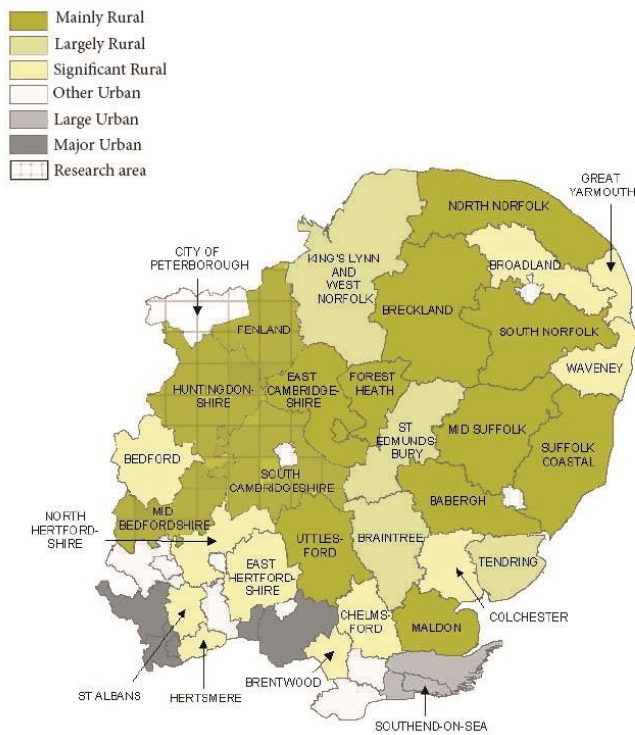


Figure 2. Map of East of England indicating the location of this study. Adopted by the author. Source: <https://webarchive.nationalarchives.gov.uk/20120609072748/http://www.defra.gov.uk/statistics/rural/rural-resources/maps/by-geography/>

Table 1. Details of research participants

Respondent	Entrepreneurial activity	Age	Date of migration	Date of current business establishment	Number of total business	Type of interview
R1	Employment agency	49	2000	2003	1	Video call
R2	Flower shop	25	2014	2015	1	Face to face
R3	Solarium	33	2014	2018	2	Video call
R4	Moving company	38	2003	2016	3	Face to face
R5	Neuro-linguistic programming coach	36	2007	2017	1	Face to face
R6	Holiday vila	51	1994	2016	2	Video call



R7	Lithuanian grocery store	32	2006	2011	4	Face to face
R8	Beauty studio	37	2005	2016	1	Video call
R9	Event decorator	30	2013	2017	1	Video call

## 4.5. Data analysis

Thematic analysis was chosen as a way to analyse the research data. Generally, it is the process of identifying qualitative data themes and patterns. As Braun and Clarke (2006) emphasized, thematic analysis is seen as a method rather than a methodology. Therefore it is a very flexible and widely applicable way of analysing qualitative data, that can be used within different theoretical frameworks. Therefore, a phenomenological case study approach that aims to explore immigrant entrepreneurs' perceptions of their entrepreneurial activities in the natural setting can be combined with the thematic analysis towards capturing the essence of the empirical material. Data analysis and its process were based on Braun's and Clarke's (2006) six-phase guiding framework, where phases are not necessarily linear; hence a researcher can move back and forth where needed. The six-phases encompass the following phases:

1. familiarization with data;
2. generating initial codes;
3. searching for themes;
4. reviewing themes;
5. defining and naming themes;
6. writing the report.

Data analysis was conducted through transcribing the recorded interviews in Microsoft Office Word files. Thematic statements that were found in the material displayed multiple perspectives. It eventually helped identify the essential aspects of the studied Lithuanian immigrants' experience and develop themes that reflected individuals' experience and meanings. Lichtman (2014) underlines that a researcher should start trying to make sense of the data as early as possible by following a circular model of gathering and analysing data. I followed the process by carrying out the interviews and simultaneously taking notes. After each interview, I reviewed my notes as well as highlighted the key interview points that emerged. It

allowed me to identify the recurring themes in later conducted interviews. Once all the data were collected, I dissected and categorised the data into codes alongside transcribing and then re-reading the material. After all the interviews and generated codes were carefully reviewed to ensure there are no overlapping and redundant codes, they were ultimately categorised into corresponding sub-themes and then final themes in relation to my research questions.

At the end of this iterative process, the themes that emerged throughout the gathered data constituted the major findings. It eventually generated a conceptual framework based on mixed embeddedness perspective to produce the story told in this thesis.

## 5. Findings

This chapter aims to detail Lithuanian immigrants' perceptions about running their own business in the host country. It also encompasses informants' understanding of embeddedness based on their experiences on migration and entrepreneurial activities. Therefore, the chapter aims to capture and explore immigrant entrepreneurs' different experiences towards their migration and entrepreneurial activities in rural East of England. Furthermore, the empirical findings address the first research question and partly focus on the second one by elaborating on different contexts and its impact on entrepreneurial activities from the Lithuanian immigrants' perspective.

### 5.1. Migration context and characteristics of immigrants

#### 5.1.1. Introduction of immigrant entrepreneurs

During the interviews, I realized that the respondents' migration story, despite its diversity have at least one thing in common that place Lithuanian immigrants under the same umbrella. It turned out, that migration among the informants was never seen as a planned life event that would require a lot of planning ahead. It was rather as some sort of spontaneous move without any commitment to the United Kingdom (UK) or Lithuanian in terms of a strict stay or return time frame. The majority of the respondents perceived migration as a temporary decision in order to improve their economic situation within a limited period, which was mainly supposed to be up to 2 years. The immigrants were driven by the idea to make some money and eventually come back to fulfil one of their initial migration goals - invest in real estate, pay back loans, or simply improve life situation. Some of the participants were also driven by the curiosity to expand their worldview by exploring and getting to know the new country's culture and experience what it is like to live abroad.

“I arrived in the UK when I was 19 [...] like most immigrants at that time, I went [to the UK] just for the summer when there were vast migration flows into the UK after the European Union enlargement in 2004. But here I am, a never-ending summer” (Interview with Respondent R7).

The enlargement of the European Union (EU) in 2004 was the key trigger that allowed the interviewees to enter the UK for mainly economic reasons. In contrast, a few immigrant entrepreneurs managed to settle down in the UK before 2004. According to them, this scenario was uncommon because you had to have contacts of either local British people or co-nationals that would assist you in finding a job.

The UK has been seen as attractive because of high living standards associated with a rich country and a highly developed economy. Moreover, the respondents' stories in this study revealed that the region of East of England, has been seen as a destination for many migrants due to the high demand of low-skilled and unqualified labour; thus, everyone was accepted without considering job skills and even language level.

The informants are relatively homogeneous when it comes to educational background. Three of all the respondents hold a higher degree (undergraduate and postgraduate) while the rest have a professional qualification. Respondents' first jobs in the UK were not related to the professional background, but rather low-skilled jobs requiring physical abilities and mechanical skills than prior experience or educational background. Therefore, more than half of the immigrant entrepreneurs once arrived in the UK, ended up working in agriculture fields and factories, where working conditions required intense labour and were mainly physical jobs. Those who never worked in low-skilled positions underlined some sort of interdisciplinary understanding and specific individual characteristics, such as self-confidence and persistence that they gained throughout their studies in the origin country.

The importance of prior experience and its impact on maintaining the business was highly acknowledged. Nevertheless, the lack of specific knowledge and skills was identified as the main boundaries in business development that led a few immigrant entrepreneurs to fail, which was ultimately considered a lesson learned.

“...we opened a Lithuanian grocery store, which was based on selling sustainably produced Lithuanian farmers' production. At the beginning everyone was excited and interested in the organic production, although the prices were higher than in the market. However, it did not work, because when it [production] is fresh its costs are respectively higher due to growing costs, transportation and short shelf life. We had to throw a lot [of products] because it was rotted... thus, we lost a lot of money. It was not rewarding [...] It was a painful lesson. “(Interview with Respondent R4).

### 5.1.2. Factors influencing the choice of settlement

The informants' distribution and decisions on picking a location for settlement and business establishment until they ended up in the current rural area could be divided into two groupings: the first grouping told stories about a wide range of

circumstances related to searching for better work activities and managing convenient commuting distance for both spouses. Picking the right place for business performance depending on the type of business was one of the concerns as well. For instance, whether the business was based on the co-ethnic market or not. The second part focuses on the priorities of the immigrant entrepreneurs' life as parents since they wanted to settle down in a relatively rural area that would be safe and healthy for raising children. Personal aspirations of spatial freedom and its benefits in a rural area in the sense of landscape and nature were highlighted only by a couple of respondents. Alongside this, the immigrant entrepreneurs emphasized that the rural area can be seen as providing direct business advantages as well. For example, business rates which are a tax on business properties, directly depend on the business premises location: the more rural, the lower the tax. Likewise, the non-urban location aspect was touched as well by the immigrants pointing out the importance of a parking lot by the business properties. Even though  $\frac{2}{3}$  of the research participants provided services locally, due to a non-walking distance, customers tend to use a car to get to where the services are provided. A few immigrants emphasized that this is the key factor, especially when customers are coming from far away, they expect to park a car nearby and free of charge. The owner of a moving company emphasized the advantages of running the business in the rural area.

“I live in a rural area, my office is there as well, but I am working in the whole UK. The area is very convenient for running my type of business, I can keep vans [in the backyard] or customers' stuff for some time, also if needed repair the vans when I am able to fix it by myself. There is a garage as well [with equipment and tools], which I can use for fixing my vans” (Interview with Respondent R4).

All the informants acknowledged both direct and indirect contribution to the rural area, even though two entrepreneurs highlighted location independence. In contrast, their businesses could be operating practically anywhere in the country. Direct contribution to the area the immigrants perceived as paying taxes to local authorities, creating local employment for not necessarily merely co-ethnics and delivering goods and providing services. The indirect contribution was understood as making the area attractive to newcomers and creating a positive economic image of the area.

### 5.1.3. Trust role among co-ethnics

When talking with the respondents about their staff, customers or co-ethnics in general, I should say I was quite shocked by the fact of no trust among Lithuanian nationals. Although the research participants expressed their initial willingness to trust people, a lack of trust was discussed as an ethnic phenomenon that is widespread at least in East England, and they have to deal with it. The experience

that the entrepreneurs drew on indicated that they could not trust people; otherwise, they would make use of them. The owner of a grocery store (Respondent R7) highlighted it as an additional workload to look after the employees and even control them at some point. Similarly, the owner (Respondent R6) of holiday villa stressed the need to be very careful when accepting the right customers (generally) into the holiday villa in order to avoid unexpected consequences such as damages and accidents.

A high concentration of Lithuanians in the region provides a big pool of job seekers; thus, low-skilled jobs are always in demand. Nevertheless, the respondents in their stories clearly discussed a lack of workers with the right attitude towards their job responsibilities.

“You simply cannot trust them [employees] because they tend to make use of their positions... and if you do not regularly check them [employees], of course, they are aware of this procedure, it can lead to poor customer service and has a negative effect on generated income respectively” (Interview with Respondent R7)

“Since we are focusing on providing high quality of accommodation alongside recreation services, I want to ensure that a customer gets a proper treatment. But most importantly the place itself, where they have chosen to rest and enjoy their time at, is clean and everyone feels comfortable about it.<...> In order to keep the standards high, I have checked the cleaner to make sure the job is done properly <...> the cleaner does not care about it as much as I do... <...> I can't trust the cleaner to get the job done in a way that would satisfy me. Also, they are self-employed at this point, hence if they get tired for some reason, they can just quit and leave.”(Interview with Respondent R6)

Due to some previous bitter experiences or lessons learned, as the Respondent R6 pointed out, it was complicated to trust customers, especially in this kind of business. In order to avoid further unexpected consequences, such as damages, breaks, etc. that tend to happen because of lack of responsibility from the customer's side, it is essential to be cautious when accepting the right customers. It was one of the main reasons to upgrade the services and rather focus on the mainstream market by providing luxury villa rental and recreational services instead.

The immigrant entrepreneurs stressed the feeling, that Lithuanian immigrants tend to look out for themselves and what is best for them without helping other co-ethnics. Most of the respondents have encountered lots of selfish and jealous co-ethnics throughout their business experience, who have tended to judge and complain about the services.

#### 5.1.4. Uncertainty and risk-taking in entrepreneurial activities

Engagement in entrepreneurial activities and a risk factor go hand in hand. It is quite evident in the respondents' stories, where risky decision intertwined with uncertainty towards the future, do tend to be rewarding. As the owner of the solarium & beauty studio highlighted, investment in the business required not merely a decent amount of money, but most importantly low-risk aversion as well as high confidence to make the business work and generate income.

“The tax rate (business income tax) is really high since it is based on both location and rent. In my case, we need quite a lot of room [for the equipment], therefore the higher the rent the higher the tax rate” (Interview with Respondent R8)

As long as a business owner cannot afford own business property, high tax rates based on rent are perceived by the respondents as unfair since the size of a leasing property does not necessarily correlate with generated income. Relatively high investments and financial responsibility from the very beginning without a guarantee of successful future performance and adequate incomes are on the immigrant entrepreneurs' shoulders that they have to deal with. Consequently, the role of a business partner or family support is highly acknowledged by the research participants.

Not all of the respondents were able at the beginning to take a whole risk on their own. Therefore, they did tend to share the responsibility of starting up a business with a partner, namely spouse, family member or close friend. The interviewees stressed the importance of having low, but measured risk aversion. It was emphasized that without taking risky actions not so much would have been succeeded. Indeed, the informants referring to their experience, pointed out the business situations that required decisions towards uncertainty. They were not sure whether their business would work out or not, but by giving it a go and working hard, they even managed to lower their risk aversion.

On the other hand, as told by the respondents, the family could have some sort of an opposite impact as well. Turned out, that spouses have to be on the same page in terms of the business idea; otherwise, it was unlikely to see the light of day.

“At the beginning, my husband was critical enough and did not really support my idea due to quite big investments. After some time, I managed to convince him to believe it is going to work out”. (Interview with Respondent R3)

Furthermore, the owner of the holiday villa (Respondent R6) stressed the importance of risk-taking and the way both spouses perceive as well as exercise it. The spouses should see risk-taking from the same angle, encourage and support each other in order to decrease risk aversion and take action towards launching a

business. As the interviewee was prone to risky decisions while the spouse was not willing to take any risky actions, it eventually severely affected the relationship and even resulted in divorce. Therefore, a business partner's or spouse's perception and propensity for risk-taking can impact not merely the business performance and success, but it does even play a significant role in the family's future.

Persistence and self-confidence in the business that immigrants are engaged in was also often discussed in the interviews. In fact, failure, which in this context could be perceived as a business that did not work out, was emphasized by a couple of entrepreneurs, as the key principle of the eventually achieved success. Likewise, the owner of the beauty studio stressed the significance of self-confidence and passion for what you are doing.

“I never thought I would ever have my own business, because I had low self-confidence [...] my husband inspired me, pushed me and helped me to increase my self-confidence. Now I think the main criteria of the business success is to focus on doing what you love and are passionate about. And then comes money” (Interview with Respondent R8).

## 5.2. Perceptions of entrepreneurial activities

### 5.2.1. Entrepreneurship: push and pull factors

Drawing on the stories told by the respondents, the immigrant entrepreneurial activities could be perceived as the result of push or pull factors that have occurred due to various reasons. Since roughly half of the research participants' immigration story started by working either in factories and agricultural field or in other low-skilled jobs, they encountered not only hard and monotonous physical work, but also underpayment. Long working hours and lack of career opportunities in this industry field resulted in looking for a way out- situation. Moreover, a few respondents pointed out that they decided to quit working in a low-temperature factory because of work-related health problems, especially their future prevalence, such as joint and bone illness.

On the other hand, the same immigrant entrepreneurs highlighted the need for self-realization. Similarly, it was identified by the rest of the respondents, who got engaged in entrepreneurial activities through other ways such as identifying a gap in the market and realizing that there is nothing like that in the area market. Also, as the owner of a flower shop (Respondent R2) pointed out, a reason to start own business was based on the qualification background, which has proven to be relevant and useful in managing the business and remaining competitive in the



market for the past 4 years. A desire to give it a try to work for yourself and difficulties in finding a background-related job were also mentioned as a basis for becoming an entrepreneur.

### 5.2.2. Gender perspective

When listening to the respondents' stories, I realized, that gender in the context of immigrant entrepreneurial activities is one of the determining factors when selecting an employee. A specific type of job is sort of associated merely with one gender. For example, only males work in the moving company, while only females were hired to work at the grocery store or beauty studio. According to the respondents, one gender is more preferred over another in certain job positions. They explained it by stating certain gender is doing better at job than another, and that is the way they have always seen it.

“I tend to hire only male workers <...> never thought of employing a female one... <...> because their [employees'] duties are based on a relatively hard physical work and long hours, which also includes driving a big van, loading stuff and then dropping it off and so forth”. (Interview with Respondent R4)

The beauty studio owner, who have employed merely females, emphasized that no male ever asked for a job. The entrepreneur thought that beauty professions such as hairstylists, skin therapists, or cosmetologists are rather prevalent among females than males, especially among Lithuanian immigrants in East England.

According to an employment agency owner, some contractors (customers who are big-scale farmers and need seasonal workers) tend to ask for a particular gender to do a specific job in their fields.

“There is more or less gender equality. Sometimes the contractors ask for only female workers let's say to work with flowers, but I don't even try to fulfil their requirements because the law guarantees gender equality, so they can't do anything about it.” (Interview with Respondent R1)

### 5.2.3. Challenges of owning business in the host country

Respondents in their stories clearly expressed, that being an immigrant business owner in the UK is very challenging and time-consuming, at least in the beginning. Due to limited financial capital, not everyone can afford to hire a sufficient number of staff, so most immigrant entrepreneurs end up working hard and long hours. Nevertheless, the Lithuanian entrepreneurs pointed out, that overall, it was one of the best decisions to become an entrepreneur. Everyone agreed that there had been lots of ups and downs along the way, but it is worth trying to make it work at the end of the day.

“It is hard to wake up early in the mornings and be responsible for all the going things, but knowing that you are working for yourself, that it is for you not for someone else and you can have your own rules, definitely pays off” (Interview with Respondent R2)

For those who have family and kids, engaging in entrepreneurial activities are seen to be even more complicated. Majority of the respondents addressed the complexity of keeping a balance between family and business time.

“...it is important to separate business from family, because you are involved in business pretty much all the time and cannot let it go. Therefore, I try to devote more time to my family <...> have some quality time with the spouse and children. <...> we try our best to avoid talking about business when we are at home” (Interview with Respondent R7)

Long work hours, lots of duties and no days off resulted in health issues to a couple of the respondents. Immigrants highlighted that stress is inevitable due to work overload, a constant need for decision-making, mistakes or failures, risk-taking, and lack of financial stability at some point may also result in burnout.

“ ... we were doing very well and growing big <...> at that time I had 4 business, you know youthful maximalism, however I ended up selling out three business and keeping only one <...> I was forced to make this decision because of serious health issues. Obviously it was too much going around and I just burned out. By the time I recovered, I decided to keep only one business, which has been stable enough in generating decent incomes.” (Interview with Respondent R7)

“...you are risking financial stability. You can work, for example, in a factory, have a stable life, but my business is not about that. Incomes are not stable, tend to go up and down depending on a season <...> you are responsible for providing for the family, you do not know much about the future in this kind of business <...> It is quite risky to have a business as the only source of family incomes, therefore my spouse has to work and keep it as a backup plan. Sometimes you cannot predict the future, so you need to be ready for the worst-case scenario.” (Interview with Respondent R4)

#### 5.2.4. Market competition

Drawing on the research participants' experience, the emergence of the Lithuanian immigrant entrepreneurs' businesses mostly derived from the prior experience in relation to the entrepreneurial activity and an identified gap in the market. Some informants emphasize the saturated market that led them to establish business further from urban areas, where competition is lower due to the lower density of immigrants. The owner of the employment agency (Respondent R1) shared the experience of being unable to find contractors and make a deal because of the high competition in the market created by other immigrants' engagement in informal activities, which resulted in offering best deals to the most of contractors. Likewise, the flower shop owner (Respondent R2) experienced the same high competition in the market because many immigrants run a home-based business, mostly informally.

According to the Lithuanian immigrant entrepreneurs, the East England region's institutional framework is not seen specifically exceptional in terms of rules and regulations. In general, the respondents underlined the tax advantages for a start-up business, when business is practically tax-free during the first two years. An easy and convenient way of opening up and managing a business online was also underlined. Moreover, all kinds of information regarding business information and guidance are easily accessible. A few immigrants faced difficulties getting a loan due to a low credit score, namely insufficient proof or too low income. A couple of immigrant entrepreneurs emphasized that they have deserved local officials' trust for being reliable and always complying with the rules; therefore, the local authorities no longer check their business premises.

Immigrants, whose business is based on the co-ethnic market, do face high market competition. Since the research areas in East of England are seen to be densely populated by Lithuanian nationals, according to the respondents, there is likely to be the more co-ethnic market-based immigrant business to serve co-ethnics' needs. In this case, the business location is one of the key factors determining business success and profitability. As long as the business premises are located at a convenient place, that provides car parking and are situated in neighbourhoods or by the main roads leading to co-ethnic's home; its services are likely to face high demand.

“The most suitable place [for the solarium studio] was chosen to be the main street in the neighbourhood, located close to their home, where many customers live, so customers could just pop by and get back home. <...> It is really important to rather be at a convenient distance and place, than in the city centre, where people work and tend to go home first, and then come back, pay for parking etc. <...> I had to close down my previous beauty studio business because of the wrong location, that was inconvenient to customers” (Interview with Respondent R3).

The owners of a holiday villa and beauty studio emphasized, that competition in the mainstream market of accommodation and recreation services, is driven by high-quality services. They have managed to remain in the competitive market and pushed market service standards up to a higher level by providing the best quality services and investing in customer service, especially in relationships with customers. It resulted in reciprocal relationships with the customers, which keeps spreading the best experience of services.

## 5.3. Social embeddedness

### 5.3.1. Role of social networks and family ties

The Lithuanian migrants in this study tell us that they did not merely migrate for economic reasons. They say they were attracted by their previously migrated friends, relatives and family members that had already settled down in the UK. Family ties are underlined as a significant pull factor that made the respondents join their families in the UK.

“I was afraid of getting out of my comfort zone, I did not imagine that something could be different [engaging in the labour market after studying]. So probably the easiest way was to go to the UK, where my mom lived. I went to London first, my boyfriend came after one year as well” (Interview with respondent R9).

Similarly, the owner of a flower shop stressed the role of family ties in the migration context.

“After graduating from college, I went straight to the UK. I knew I was going to leave because my father has lived in the UK where he had his own little business [a grocery store] [...] I have been there a couple of times, so I knew how it is over there.” (Interview with respondent R2).

The story in this study told by the respondents underlines that going to the UK on your own is not typical among Lithuanian immigrants. Most of the research participants brought along their spouse or friend to make a move together or keep each other company. In the end, as the Lithuanian immigrant entrepreneurs highlighted, these social connections and family ties are the advantages that they possess when engaging in entrepreneurial activities. According to the research participants' family support is fundamental. A couple of the respondents argued that without their spouses' encouragement and constant support, their business would not have happened. There is not merely emotional support, but also an actual contribution to the business by advertising, spreading the services and helping with setting up the business premises.

“...my husband was the pushing factor [in a good way] to start [business] on my own.[...] The husband is my support and motivation; he's doing the impossible possible because he's not afraid of taking risks. [...] We are also advertising each other's business when meeting new customers” (Interview with Respondent R8).

In contrast, a few respondents' spouses did not tend to be involved in the business and preferred staying out of it due to their business activities or some reasons. In this kind of cases, the immigrant entrepreneurs tended to turn to their children and get them involved in the business. Likewise, another respondent who is divorced got the daughter step by step, engaged in the business. Respondents stressed they'd

rather teach a family member and share their best practices with them while simultaneously investing in the family business, than hiring a random individual. Also, most of the researchers pointed out the importance of finding an employee with the right attitude towards professionally fulfilled job duties. It is seen as a challenge to hire such employees, even considering the ethnic labour supply. The rural area constrained access to some extent to labour capital due to relatively lower population density.

Social networks were also employed for reaching out to prospect customers. According to the immigrant entrepreneurs, the “*word of mouth*” (Respondents R1, R2, R4, R5, R6, R8, and R9) was seen as the most efficient advertising way, which is based on satisfied customers’ experience and positive feedback on the services spread by the very customers. Therefore, that’s why most respondents used social media networks, namely *Facebook*, *Instagram* or *Twitter* only in the beginning to get the people around to know about newly introduced goods/service. As soon as the entrepreneurs have expanded their customer network and managed to deserve customers’ loyalty, social media became no longer useful and effective means of advertising at some point.

On the other hand, although the respondents see co-ethnics from a quite critical perspective, they tend to hang out and celebrate various events mostly among Lithuanian nationals. Small groups of friends or family and relatives’ gatherings are prevalent among the Lithuanian immigrant entrepreneurs. Since most of the respondents did not get engaged in entrepreneurial activities immediately after arrival, their closest friends were made prior to the business. Additionally, as already mentioned, most of the research participants ended up in the UK due to their close social connections, namely friends, family members or relatives. Also, a couple of respondents stated that they are not looking for new friends.

### 5.3.2. Co-ethnic community in the entrepreneurship context

Similarly, in the beginning, the entrepreneurs perceived the Lithuanian community as a hub for meeting new co-ethnics, exchanging knowledge, advertising their entrepreneurial activities while expanding their networks and building new contacts. However, as the business got bigger, and the entrepreneurs encountered more workload, there was no time for engaging in other activities. The interviewees emphasized that they are working long hours also on weekends at the cost of family time.

“I am not very much engaged in the Lithuanian community [...] because there is a family that I want to spend time with, relax and have some time for myself as well [because] we both [with a husband] are not counting hours and working a lot. We are available only on Saturday afternoons when we can plan something for ourselves” (Interview with Respondent R8).

Consequently, none of the respondents are actively engaged in the Lithuanian community anymore. However, everyone has acknowledged its importance at the phase of business beginning in terms of expanding their customer base, marketing and promoting business services. Nevertheless, whenever they were asked to sponsor and contribute to some traditional annual events and celebrations by providing event facilities, attributes or gift vouchers that could be used at their business premises, they never denied it. Therefore, drawing on the respondents' highlights, they never expected to get something in return like increased their enterprise visibility or generated sales. It was rather based on goodwill since everyone around already knew about their business. The community was also seen as a source of labour for a few business owners, but the majority rely on social media, namely *Facebook*, to look for and hire new employees. The latter way to find employees on social media is very convenient.

“If I need a new employee, there are two ways to find one: [first way] I’d ask my current employees if they knew someone who was looking for a job. And [the second way] I will post it on the certain Facebook groups, that I am in need of a worker. It does not take long to find one”. (Interview with Respondent R4).

### 5.3.3. Two sides of co-ethnics in business

When talking about employees and their selection, most of the respondents emphasized the importance of co-ethnics as a labour source. The moving company owner (Respondent2) pointed out that things in common, such as background, culture, and language reduce barriers between the employer and employees; therefore, it is easier to communicate and maintain job duties. Also, the respondent stressed that Lithuanian workers are preferred over other nationalities because they are simply better at doing this particular job. Moreover, in contrast to the other interviewees, the following entrepreneur underlined that family status is considered when hiring an employee.

“They [Lithuanians] are better in terms of doing their job. I had one polish guy <...>I don’t know why Lithuanians <...> the common background, language and culture. I think it unites. But I am looking for those who do not have families, so they can spend more time at work etc. There are a few (employees) with families, but the majority has no family.” (Interview with Respondent R2)

The owner of a grocery store and flower shop pointed out that they rely only on Lithuanians. Even though the flower shop is not based on the co-ethnic market, but rather the mainstream market, the owner prefers to hire only Lithuanians. In addition to the reasons mentioned above, the entrepreneur added that the language is important, especially when serving Lithuanian customers, which sometimes really struggle to speak proper English, particularly older generations. It could be

partially explained by the low need of human capital for unqualified job positions occupied by many Lithuanian nationals in East of England.

Lastly, the interviewees commented and shared their business experience in the co-ethnic customer service. It turned out that the majority of the entrepreneurs tend to prefer non-Lithuanian customer over co-ethnic customers due to the latter ones' gossiping in the sense of being envious of other nationals' success. Moreover, according to the respondents, ordinary Lithuanian immigrants keep complaining about the quality of services and their sky-high prices and even spread rumours. As the owner of a moving company (Respondent R4) emphasized, co-ethnics expect you to provide cheaper services among nationals than in the market just because you share the same ethnicity. According to the entrepreneurs' testimony, if you don't agree to bargain and go down with the price that would not generate any profit, you simply become an object of hate. In line with this, the Lithuanian immigrant entrepreneurs' story revealed that during their entrepreneurial activities, they have faced and encountered various unpleasant cases when it comes to customer service. However, they perceived it as the rare situations that ultimately made them ignore it and live on with that or eventually diversify their entrepreneurial activities.

## 6. Discussion – Mixed embeddedness in contexts that shape Lithuanian immigrant entrepreneurship

This chapter aims to discuss and analyse the key findings of the thesis. The main themes are highlighted and the results are compared with the theoretical framework where deemed relevant. Drawing on the empirical findings of this study, the mixed embeddedness approach in the discussion part describes and analyses the relationship between the resources that Lithuanian immigrant entrepreneurs have and opportunities for their business that they tend to make use of the place and time specific context. Resources and opportunity structure in this study are perceived as the interplay between social, economic and institutional contexts that eventually affect the enterprises of Lithuanian immigrants in both positive and negative way. Therefore, for the analysis, I use these three perspectives that comprehensively grasp the mixed embeddedness of the Lithuanian immigrant enterprises in the rural context, where they operate. The chapter primarily seeks to answer the second research question.

### 6.1. Understanding entrepreneurship as a choice

Findings to this research revealed that Lithuanian immigrant entrepreneurs perceived engaging in entrepreneurial activities rather as a choice than a necessity. Contrarily, all the respondents were employed prior to setting up a business. It can be understood from the East of England region's labour market situation, where high demand for low-skilled labour was a strong pull factor for many Lithuanian workers. Continuously increasing number of co-ethnics in the area subsequently turned into economic opportunities for Lithuanians and, therefore, gradually expanded the co-ethnic market. Drawing on the respondents' experiences, they share similar incentives to step into entrepreneurial activities. It is based on personal aspirations related to their professional background and future perspectives or on the "*outsider's perspective*". According to Baumgartner et al. (2013), it provided the entrepreneurs with a competitive advantage to discover new opportunities and introduce specific service or products in the market.



On the other hand, the interviewees, who were employed in low-skilled jobs prior to business, shared similar pessimistic feelings towards working in factories and agricultural fields in the long run. Besides, the majority of co-ethnics trapped in unqualified jobs, the respondents perceived as complex and depressing in terms of prospects. Hence, based on immigrants' reflections, entrepreneurship in this context can be expressed as some sort of monotonous lifestyle upgrade to challenging business management but likely to be rewarding. High-risk aversion and low self-confidence appeared to be the key personal barriers that held immigrants away from finally setting up a business. Local opportunity structure was perceived as having a relatively positive impact on respondents' current business regarding the interplay of social networks, economic situation, and institutional framework.

However, a different perspective is found in the mixed embeddedness literature. The entry to entrepreneurship is seen rather as a result of insufficient qualifications and lack of skills to fulfil the labour market needs. The Lithuanian immigrants expressed that it was not the case to start up a business. It can be understood from the urban perspective, where the different economic and regulatory contexts compared to non-urban areas considerably shape business opportunity structures. Alongside this, it is supported by the empirical findings of this study, where the economic and institutional context in urban area negatively affected respondents' prior business and eventually led to the closure. Therefore, drawing on the informants' insights, it implies that Lithuanian immigrants rather pulled than pushed into entrepreneurial activities tend to be operating slightly different in terms of mixed embeddedness in contrast to those immigrants, who are respectively pushed into entrepreneurship. Thus, Lithuanian entrepreneurs found opportunity-based entrepreneurship providing access to various resources because the immigrants got engaged in this kind of entrepreneurship to exploit the market gap. Hence, first came an idea and later on, it was materialized taking into account the opportunity structure, provided by the local market context.

## **6.2. Embeddedness in the social context: the importance of co-ethnic networks**

Empirical findings to this research revealed that Lithuanian immigrants were already embedded in co-ethnic networks upon arrival. The respondents' co-ethnic networks are seen as a significant factor that triggered to some extent migration and determined its destination in the UK. Newcomers ended up close to friends and relatives, accordingly. The majority of the respondents stressed the importance of co-ethnic networks that helped them get to know the new environment in the host country and integrate into society.

The mixed embeddedness approach has been widely employed to explain immigrant entrepreneurship based on migrants coming from less developed countries to rich economies. Therefore, the concept's initial focus was on immigrants, which engage in low-skilled entrepreneurship due to lack of educational qualifications and insufficient resources, such as social, human and financial capital activities (Kloosterman, 2010; Chrysostome and Acrand, 2009). Alongside this perspective, most Lithuanian immigrants in this study, have a close similarity towards running a business that does not require a high professional qualification or relatively high financial capital. In contrast to immigrant entrepreneurs in the mixed embeddedness literature, that most were pushed into entrepreneurship as a means to survive, Lithuanians accordingly faced fewer obstacles towards accessing financial capital, although, in general, it is considered as one of the biggest challenges in immigrant business creation (Volery, 2007). Even though they were engaged in business voluntarily, only a few Lithuanians encountered limited access to bank institutions' financial loans because of their relatively short period of staying in the UK. The rest of the Lithuanian immigrants have managed to accumulate a sufficient share of financial capital through their own savings even though being low-paid workers. Besides, financial support was provided by close relatives and family members as well. Therefore, referring to the Lithuanian migration timeframe, a longer period spent in the UK by working and saving money before setting up a choice-based business prevented Lithuanian immigrant entrepreneurs from encountering severe financial obstacles when setting up a business.

Being embedded in the co-ethnic labour supply, especially at the beginning, was perceived as a fundamental precondition for running a business. The Lithuanian immigrants explained that employing co-ethnic employees was considered a more affordable and convenient way than indigenous people from the open market. A high concentration of Lithuanian nationals in the area made up an ethnic labour pool that appeared to be favourable to the entrepreneurs. According to the respondents, it emerged as a result of newcomers who encountered difficulties in the mainstream labour market due to their limited qualifications and particularly poor language skills. Moreover, the entrepreneurs stressed that communicating in the mother tongue and sharing the same cultural background with co-ethnic employees was perceived as an emotionally united phenomenon. Alongside this, co-ethnic-market-based Lithuanian entrepreneurs expressed their dependence on co-ethnic employees since they bring benefits to the enterprise by advertising the service and attracting other co-ethnics.

Lithuanian entrepreneurs explicitly pointed out their embeddedness in family ties. Family members in the business context are perceived as a reliable labour source at

relatively low cost and the main contributors to running the business. Kloosterman complements this by arguing that social capital exclusively ties of kinship is:

*“a vital resource for a nascent venture at the very early phases of the establishment”* (2010, p. 26).

Alongside this, the immigrants also underlined the family’s role as emotional support for encouraging and tackling business problems. Emotional support was also considered a significant factor that impacted increasing business productivity and positively affecting profit accordingly. The highlighted importance of family ties implies that strong ties in Lithuanian immigrant entrepreneurship are highly appreciated due to their role in business success.

Likewise, the entrepreneurs acknowledged the role of co-ethnic community-based networks, which at the beginning contributed to advertising business services. For a few Lithuanian entrepreneurs, it was used as a means to increase the visibility of their enterprises and attract new customers. Although most Lithuanian entrepreneurs could not eventually actively participate and be involved in the community due to a heavy workload in business, they still felt that it was necessary to support the Lithuanian community events. These events would barely occur if the entrepreneurs did not support the community through sponsorship and donations. It reveals that embeddedness in co-ethnic networks also contributed to some extent to the local community building.

Further research revealed controversial findings that some of the Lithuanian entrepreneurs’ dependence on the co-ethnic market in the long term was determined by identified prevalent cultural traits among Lithuanian co-nationals that negatively impacted business. In other words, by being embedded in the co-ethnic market, the entrepreneurs encountered co-ethnics’ specific cultural traits intertwined with behaviour traits, that eventually pushed them into the mainstream market. Some of the co-ethnic customers tend to complain about the quality of services and even spread rumours that are assumed based on their envy for other co-nationals’ success. Entrepreneurs’ disappointment was expressed through the understanding, that co-ethnics seek services or goods at lower costs than in the market, thereby taking advantage of the entrepreneurs. It appeared reasonable that some of the Lithuanian entrepreneurs eventually diversified and upgraded their co-ethnic-market-based business to the mainstream market.

This kind of the interplay between entrepreneur and customer within the same co-ethnic context revealed the other side of mixed embeddedness, which exposed the complexity of the same ethnic community.

### 6.3. Economic context: opportunities in the co-ethnic market

A place-and-time specific context characterizes Lithuanian immigrant entrepreneurs' embeddedness in the co-ethnic market. Breaking down this context into separate place and time perspectives reveal the advantages of opportunity structure, that Lithuanians are granted. Firstly, the East of England's very region is perceived as favouring expanding the co-ethnic market in terms of the place-specific perspective. Constantly arriving newcomers substantially increased the number of Lithuanian co-nationals in the region, thereby contributing to a growing demand for goods and services in the co-ethnic market. Furthermore, Lithuanian workers' embeddedness in the local labour market turned into a much higher concentration of co-ethnic customers and created a co-ethnic labour supply pool.

For this reason, Lithuanian immigrants' embeddedness in the co-ethnic market was seen to be beneficial as there always were co-ethnics seeking for employment. From the time-specific perspective, the entrepreneurs also benefited from the certain global and transnational events, such as global financial crisis and the EU enlargement in 2004, which resulted in migration flows into the UK, particularly East of England. The increasing concentration of co-ethnics with low human capital subsequently resulted in establishing small enterprises in the market. Consequently, it soon became saturated due to low entry barriers; therefore, the entrepreneurs in the overcrowded markets encountered high competition. Since all of the entrepreneurs entered into entrepreneurial activities as a preferred choice, their embeddedness in the local economic context was based on exploiting the identified opportunity, which indigenous people could leave behind. According to the immigrant entrepreneurship literature, immigrant enterprises tend to occur in the markets, which do not seem attractive to indigenous people due to relatively low business returns and hard work conditions. Moreover, immigrants' low human capital and the lack of relevant resources confines them either to *vacancy chains* openings, such as corner shops, that are labour intensive and highly competitive; thus local people abandoned it or to *post-industrial low skill* openings, like personal service, catering, etc. (Kloosterman (2010)).

In contrast, the Lithuanian immigrant entrepreneurs' insights about their mixed embeddedness brought up into discussion the issues related to being embedded in the co-ethnic market. Due to high competition in the market and generated low incomes, some co-ethnic business cannot compete even based on price, therefore ending up taking on semi-informal activities. As a result, it pushes the market prices down, thereby negatively affecting other businesses viability in the market. On the other hand, it could also be perceived as a way to move from vacancy-chain market to another market or as some of the Lithuanian entrepreneurs have done it already

- diversify entrepreneurial activities by adapting services to meet the needs of the mainstream market as well. Although the Lithuanian immigrant entrepreneurs are based in rural areas, most of their businesses are rather defined as entrepreneurship in rural than rural entrepreneurship. Hence, their embeddedness in the co-ethnic market does not represent spatial embeddedness through entrepreneurial activities in the sense of not being dependent on local resources that are to some extent fuel to business performance.

## 6.4. Institutional context

The institutional framework in the immigrant entrepreneurship context is perceived as the sets of regulations, laws and governmental policies implemented at different levels that shape the entrepreneurial context, affecting immigrant entrepreneurs' distribution and success (Kloosterman et al., 1999). Therefore, national institutional and regulatory context affects opportunity structures, for example, regulating to some extent access to markets in terms of educational background or qualification. But it turned out it was not the case for the Lithuanian immigrant entrepreneurs, who acknowledged friendly entrepreneurial context in terms of ease of setting up a business. Firstly, entrepreneurs stressed the importance of access to information. Most of the Lithuanians did not have difficulties in finding the information regarding business establishment and management process. It was also well explained, instructive, and easy to understand what steps should be taken to meet the requirements and comply with certain regulations. In the case of lacking the information on registering a company or pay tax, the Lithuanians turned to close friends who were in business already or helped themselves by asking institutions to guide them. It could be analysed from the choice-based entrepreneurship perspective when entrepreneurs before setting up a venture not merely prepare a business plan but also familiarise oneself with the prevailing regulations and procedures (Vinogradov and Kolvereid, 2007).

Further, the business opening system was perceived to be a convenient time-wise. Business registration and tax-paying processes could be carried out online without facing heavy bureaucratic processes that come with being an entrepreneur. It reflects the UK as a deregulated state towards the business environment. In contrast, the state did not put any restrictions on immigrant entrepreneurial activities to protect the position of indigenous entrepreneurs opening up a market space. Consequently, the UK has been seen as far more business-friendly than the rest of the EU countries (Ram et al., 2017).

When it comes to tax and credit-related policies, that according to Chrysostome and Arcand (2009), can be great incentives and tools to promote and boost

entrepreneurial activities among immigrants, the Lithuanian immigrants highlighted tax advantages for nascent business, particularly during the first year of business. It entitled them to tax-free entrepreneurial activity and allowed the immigrants to get business accelerated from the very beginning.

However, the Lithuanian entrepreneurs never got any additional business support from the government, such as promoting and facilitating programs and initiatives subsidising start-up business. It could be explained to some extent, from the standpoint of an immigrant. In general, due to lots of new information and even language barriers, immigrant entrepreneurs tend to lack sufficient information or are too busy to find out government schemes about advice or new tax and regulatory policy. Information on funding opportunities, business facilitation and professional development workshops can also slip past unnoticed (IoD and mi-Hub, 2016). Although markets are engaged in the institutional framework (Kloosterman, 2010), Lithuanians perceived regulatory framework rather enabling than hampering immigrant businesses' emergence and growth. Opportunities that the entrepreneurs made use of occurred to some extent due to the deregulated access to the market in terms of educational background and qualifications.

Overall, Lithuanian immigrant entrepreneurs' embeddedness in the institutional framework in rural East of England was not seen as a firmly affecting framework in terms of rules and regulations relatively blocking entrepreneurial opportunities for immigrants in the market. However, deregulated access to the market and low demand on capitals eventually resulted in high competition, that some of the entrepreneurs ended up closing down the business.

## 6.5. Two sides of the mixed embeddedness perspective

Lithuanian immigrant entrepreneurs' understanding of their mixed embeddedness in the space-and-time specific context, revealed twofold phenomenon. On the one hand, the Lithuanian immigrant entrepreneurs tend to rely on co-ethnic networks by engaging in the co-ethnic market and employing co-ethnic workers. On the other hand, the majority have been gradually shifting their business towards the mainstream market to avoid interactions with co-ethnic customers due to specific cultural and personality traits prevalent among co-ethnic customers. Although, in fact, Lithuanians still acknowledged their dependence on co-ethnic labour supply. Further, despite the positive side of mixed embeddedness, which contributed to Lithuanians' business establishment and performance, which are seen with lots of obstacles along the way, the other side of the coin was revealed. According to the study, mixed embeddedness theory per se neither concerns nor prompts

immigrants' integration into the mainstream society, since the co-ethnic contexts mainly bound them. This concept tends to address low-skilled immigrants engaged in entrepreneurial activities rather as a necessity than an opportunity. Therefore their opportunity structure is firmly shaped by their insufficient resources and the interplay of contexts, that they are embedded in. In line with this, I discussed it in terms of advantages and disadvantages and how it affects business performance.

The mixed embeddedness concept implies that it cannot explain immigrant entrepreneurship phenomenon as a whole due to its combination of heterogeneity and complexity based on context-dependent dynamics. However, this study revealed, that the mixed embeddedness concept can analyse a group of immigrant entrepreneurs who seem to be homogenous to a similar background, the same ethnicity and shared geographical location. This case also explained the interplay of different context that immigrant entrepreneurs are embedded in.

Furthermore, immigrant entrepreneurs perceived social ties in the ethnic community significantly helpful and useful only at the beginning of a business. Thus, strong family and social ties in the ethnic community can compensate for the lack of capitals and connections with locals in the UK as long as mutual trust is maintained. According to immigrant entrepreneurship literature, social ties are based on mutual trust and reciprocity. However, as the findings revealed, a lack of trust among Lithuanian co-ethnics is a boundary for all the resources, that social ties can provide. Although results from previous immigrant entrepreneurship studies highlighted that ethnicity could be utilised as a useful resource in immigrant business, this study indicated that sometimes it is not even a resource. In the Lithuanian immigrant case, it turned out ethnicity even created boundaries and some kind of tensions among co-ethnics. Lack of mutual trust was seen not merely between Lithuanian employee and employer but also between a customer and particularly entrepreneurs, who have created employment opportunities. On the other hand, it eventually led Lithuanian immigrants to rather focus on the open market and make connections there instead. Therefore, as the study results indicated, those who were fluent in English managed to lower a business dependence on the ethnic market and rather shift it to the open market, have been likely to be successful in business. Lithuanian entrepreneurs perceived social ties as a resource for financial and human capital too. Some of them managed to mobilise resources and utilise it in both countries of origin and host country. As indicated in the study, social ties with the home country can supply financial support and workforce. Thus, by maintaining connections with Lithuania, immigrant entrepreneurs are likely to benefit from it. However, local context, where Lithuanian immigrants' business operate, is determined by the labour market and institutional context. The East of England region has a relatively high Lithuanian nationals' concentration and low entry to the market. Consequently, the labour

market is quite saturated; thus, it leads to higher market competition. It respectively requires a pool of workforce with most importantly, the right work attitude rather than specific skills, since it is a usually unqualified job.

Analysis of the Lithuanian immigrant entrepreneurs' experiences and perceptions towards their embeddedness in the rural UK can be summarised by focusing on the entrepreneurship contexts, capitals and resources. The immigrant's capitals determine Lithuanian entrepreneurs' level of embeddedness in a specific context that one possesses. Above mentioned contexts are closely intertwined into one another; thus, it is up to an immigrant, whether and how one seeks to discover resources and subsequently exploit it by employing their capitals. The study indicated that the more capital the Lithuanian immigrants own, the more resources they can benefit. In line with this, as the mixed embeddedness theory underlines, the resources are also provided by the interplay of different contexts. Therefore, the mixed embeddedness theory helped to better understand immigrant entrepreneurship and the influencing contexts. The study revealed that the Lithuanian immigrants' perceptions of mixed embeddedness are shaped by the way they make use of discovered and by the interplay of the contexts provided resources, together with immigrants' ability to employ capitals, that they have.



## 7. Conclusions

The study represented and analysed Lithuanian immigrant entrepreneurship in rural East of England. The mixed embeddedness concept was employed to break down immigrant entrepreneurship into major contexts with a focus on rural areas that addressed both the challenges and advantages of immigrant entrepreneurial activities. The theoretical framework set out in the thesis elaborated on social, economic and institutional perspectives, which sequentially were used as a base for understanding Lithuanian immigrants' perceptions of their mixed embeddedness. The findings clearly stated that practically all of the Lithuanian immigrants neither initially planned on leaving for good nor becoming self-employed but eventually were pulled into entrepreneurship by aspirations for freedom, self-realisation or market opportunities. However, it was not the case of push factors such as unemployment or the lack of labour market skills. Ethnic networks and family ties were perceived as a matter of great importance, particularly at the initial phase of business establishment.

In contrast, family ties were associated with reliable labour capital and significant emotional support, which helped the entrepreneurs get through challenges and obstacles along the way. Lithuanian immigrant entrepreneurs in rural areas tend to invest in social connections with customers since they are seen as one of the most effective advertising ways by spreading "word of mouth" based on high-quality service and satisfying customer experience. Analysis based on the rural context revealed the respondents' perspective on settling down and running a business in rural areas. The majority of the research participants' businesses could be operated not necessarily in rural areas since it does not directly rely on rural capital such as land, natural resources, nature etc.

Further research explained that social context, notably friends, co-ethnics pool, and family ties rather than rural capital and its resources, has been essential to start a business in rural. Research results revealed that a rural area was a given environment for starting a business, where the research respondents were already embedded. The mixed embeddedness concept illustrated that social networks significantly shape immigrant entrepreneurs' performance in rural areas. Drawing on the research findings, Lithuanian immigrant entrepreneurs also encountered

weak sides of co-ethnic ties and connections, although they admitted its importance at the initial business phase.

Overall, despite all the constraints and boundaries that Lithuanian immigrant entrepreneurs encounter during the establishment and business performance, the analysed contexts of mixed embeddedness particularly the institutional framework is perceived as business-friendly while operating business in a rural area is seen as a relative advantage with reciprocal benefits. The case study revealed that weak social links not merely among co-ethnics but with a host society also expose immigrants' segregation; thus, the advantages of being embedded in an economic and institutional context are highly limited.

## 7.1. Limitations of the study

This case study was designed to address Lithuanian immigrant entrepreneurs based in rural areas within the East of England region and study them through the lens of mixed embeddedness. The findings and discussion are provided only for this region, and in turn, it cannot be broadly applied for other cases based on geographical location. Consequently, it limits the generalizability of the findings. Due to a limited amount of time and resources, the study scope is relatively limited. Also, since most immigrant entrepreneurs' businesses were „*entrepreneurship in rural*“ rather than „*rural entrepreneurship*“ it prevented going deeper into analysing rural capital and the direct impact of its resources on rural business performance. Overall, this case study enriches immigrant entrepreneurship literature with a focus on mixed embeddedness in rural areas.

## 7.2. Suggestions for further studies

Since the Lithuanian immigrants are mainly performing as entrepreneurs in rural rather than rural entrepreneurs, their embeddedness in spatial context through resource use was not analysed. It could be seen as the research field of immigrant entrepreneurship for further studies. Besides, the East of England region seemed to be relatively homogenous when it comes to Lithuanian immigrant entrepreneurs' characteristics and their business performance in rural areas. To get a bigger picture, analyse and compare research material extracted not merely from different regions in the UK but also different groups of nationalities, a comparative study on how individuals with a different ethnic and cultural background perceive their embeddedness in the host country and accordingly perform their business, would also be seen as another interesting research area.

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# Appendix 1

*Master thesis on Lithuanian immigrant entrepreneurs in rural England*

## **Interview confidentiality form**

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***Dear Respondent,***

You have been asked to participate in the research study to investigate and analyse the Lithuanian immigrant entrepreneurs' mixed embeddedness in the East of England area and how it affects their business.

Your participation in this research will be carried out through an interview method. During the interview, you will be asked a series of questions about your personal migration story, how your business has been established and how it's been affected by the factors such as ethnic group, social networks, social and human capitals, spatial embeddedness etc. The interview will take up to one hour.

Although this study will not benefit you personally, hopefully, you will find satisfaction in sharing your valuable experience and perspectives towards immigrant business.

All of your responses will be held in confidence. The interview will be recorded, and the records maintained for reference only by the researcher for one year. Results will generally be published as summaries of the discussions, not individual transcripts. The study paper may contain quotes from participants, but they will not be identified by name or any other means by which a reader of the research paper may identify the participant.

Participation in this research is completely voluntary and unpaid. You are free to decline to participate, end participation at any time of the interview for any reason, or refuse to answer any personal question.

By signing below, you are indicating that you have read and understood the agreement.

Respondent's full name and signature \_\_\_\_\_

Researcher's full name and signature \_\_\_\_\_