Diversity, Super Diversity & Transnational Entrepreneurship related to Learning and Competence Development Seminar, November 22nd and 23rd at Roskilde University

Dr. Shahamak Rezaei, Roskilde University, Department of Society & Globalisation, Denmark
• An attempt to provide answers to two basic questions that have been around in political and probably also societal circles in Scandinavia for quite some times:

• 1. Can the Nordic model survive present levels of immigration?

• 2. Or does it actually need more immigrants to be sustainable?
• 3 more specific questions: 1. How the Scandinavian universal welfare states (Sweden, Denmark and Norway) deal with increased immigration and cultural diversity attached to it.
• 2. How the countries deal with challenges of social cohesion and extended solidarity in a multicultural context?
• 3. What are the impacts of immigration on the countries’ general welfare policy and the attitudes of the general public in the countries towards future development of the universal characteristics of the Nordic welfare states?
Point of Departure

• Economic framework:
  – Individual (immigrant or non-immigrant) act rationally upon the available options and economic incentives
  – Traditionally used ethnic/cultural explanations of the choices made by immigrants in general and immigrant enterprise owners in particular has rather limited explanatory strength and produce unconstructive perspectives
Net contribution to the public budget
Distributed by natives, migrants & age

- Natives, by normal fertility rate
- Natives, by low fertility rate and aging population
- Natives, by long term unemployment and other transfer incomes
- Migrants, by perfect labour market integration
- Migrants, by long term unemployment and other transfer incomes
Core labour market

Peripheral labour market

Marginal Labour market

Marginal business lines

Peripheral business lines

Central business lines

Self-employment
• International as well as Nordic litterateur and research have in decades made a core distinction between Immigration and Integration, not only as two distinct academic research areas, but actually also as areas with distinct political, social, and institutional implications.

• Immigration policy is primarily about managing foreigners' access to the country, including issues like access to family reunification, access as a asylum seekers, as job seekers, etc..

• Integration policy, on the other hand, deals with how states and societies ensure that individuals and collectives who permanently reside in the country will become participating citizens.

• The debate and discourse in Scandinavia reveals quite a critical lack of this important distinction between Immigration & Integration policies. That is probably one of the reasons, why we face difficulties to provide reliable perspectives on whether the universal welfare states of Scandinavia would be able to deal with challenges of immigration in the global era.
Recent income data from Statistics Denmark

- Income gaps between immigrants and natives
- Gaps increase with the level of education
Annual income by level of education, males

- Primary
- Secondary
- Vocational
- Short higher education
- Med. higher education
- Long higher education

- From non-western countries
- Of Danish origin

Source: Statistics Denmark, 2004
Annual income by level of education, males

- Secondary
- Vocational
- Short higher education
- Med. higher education
- Long higher education
- Primary
- From non-western countries
- Of Danish origin

Source: Statistics Denmark, 2004

Education doesn’t pay for immigrants
## Labour force attachment

1st generation immigrants and Danes aged 16-64

<table>
<thead>
<tr>
<th></th>
<th>Western countries</th>
<th>Non-western countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st generation Immigrants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour force participation rate</td>
<td>69%</td>
<td>61%</td>
</tr>
<tr>
<td>Employment rate</td>
<td>64%</td>
<td>57%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Danes</strong></td>
<td></td>
<td></td>
</tr>
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<td>74%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

• Source: Statistics Denmark, 2004
Why the large income gap?

Underutilisation of formal education

If well-educated immigrants can’t obtain jobs that match their formal levels of education, they may:

1. accept jobs they are formally overqualified for, or

2. become self-employed

-> lower earnings
1. Wage earners:

2. Self-employed:
## Incidence of overeducation

**Occupation-to-skill match, 1995-2003, percent**

Males aged 30-57, with at least 2 months full-time wage-employment in a given year

<table>
<thead>
<tr>
<th>%</th>
<th>Overeducated</th>
<th>Adequately educated</th>
<th>Undereducated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Native Danes</strong></td>
<td>12.2</td>
<td>69.4</td>
<td>18.4</td>
</tr>
<tr>
<td><strong>Immigrants, total</strong></td>
<td>37.3</td>
<td>46.3</td>
<td>16.4</td>
</tr>
<tr>
<td>- Immigrants with Danish education</td>
<td>35.9</td>
<td>53.1</td>
<td>11.0</td>
</tr>
<tr>
<td>- Immigrants with foreign education*</td>
<td>38.5</td>
<td>46.0</td>
<td>15.5</td>
</tr>
</tbody>
</table>
## Incidence of overeducation by ethnic group

<table>
<thead>
<tr>
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<tr>
<td>Turkey</td>
<td>20.1</td>
<td>32.5</td>
<td>47.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>27.2</td>
<td>48.0</td>
<td>24.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>30.2</td>
<td>49.8</td>
<td>20.0</td>
</tr>
<tr>
<td>Iran</td>
<td>44.3</td>
<td>47.7</td>
<td>8.0</td>
</tr>
<tr>
<td>Irak</td>
<td>37.1</td>
<td>46.7</td>
<td>16.2</td>
</tr>
<tr>
<td>Ex-Jugoslavia</td>
<td>41.0</td>
<td>41.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Somalia</td>
<td>26.6</td>
<td>49.0</td>
<td>24.3</td>
</tr>
<tr>
<td>Stateless</td>
<td>29.6</td>
<td>47.2</td>
<td>23.2</td>
</tr>
<tr>
<td>Other Non-Western</td>
<td>36.2</td>
<td>48.5</td>
<td>15.3</td>
</tr>
<tr>
<td>Western</td>
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<td>10.0</td>
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Measuring Over-education –
Introducing “Norm Divergence”

• By saying "Norm Divergence" – “Norm Deviance” we indicate that there are patterns which are considered as “Norms”/“standards” of a majority and that there may be cases and processes of divergence and convergence.

With "Norm Deviance" we refer to a sociological (i.e. dynamic as opposed to static/essential) phenomenon which refers to:

"Whether individual’s and collective’s socio-economic strategies in comparable social environment positively or negatively deviates from the norm or standard, usually expressed through:

If you choose option A and follows the strategy B (and you should), you can, in the specific context expect the result C (and it would).
2 Monkeys Were Paid Unequally; See What Happens Next

http://www.upworthy.com/2-monkeys-were-paid-unequally-see-what-happens-next
### Ethnic Business

#### Typolog of market spaces for immigrant businesses

Ram & Jones

<table>
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<tr>
<th></th>
<th>NON-LOCAL</th>
<th>LOCAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ETHNIC</td>
<td>C Wholesale &amp; high order retail &amp; service for Asian Market.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>D Manufacturing plus high order retail &amp; services for the open market.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON-ETHNIC</td>
<td>B Low order &amp; services in white residential area (middlemen)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Value Added Chain (?) |

```
A ENCLOSURE

V a l u e A d d e d C h a i n (?)

V a l u e A d d e d C h a i n (?)

V a l u e A d d e d C h a i n (?)
```
Main-stream Labour market

Migrants owned Businesses (Enclave Labour Market)

Migrant Labour Force (documented/undocumented) (Formal/informal)
Financing of immigrant-owned enterprises in Denmark

- Research results from *Financing of immigrant-owned enterprises in Denmark – opportunities and barriers*
  
- a report prepared on behalf of the Danish Ministry of Refugee, Immigration and Integration Affairs
Financing of immigrant enterprises

- Only 40% used Danish bank loans to finance enterprise
- Notice also differences across national origin

<table>
<thead>
<tr>
<th></th>
<th>Former Jugoslavia</th>
<th>Pakistan</th>
<th>Turkey</th>
<th>Iran</th>
<th>China, HK Taiwan, Vietnam</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>25</td>
<td>24</td>
<td>43</td>
<td>28</td>
<td>15</td>
<td>135</td>
</tr>
<tr>
<td>Own savings</td>
<td>22</td>
<td>20</td>
<td>37</td>
<td>23</td>
<td>12</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>88,0%</td>
<td>83,3%</td>
<td>86,0%</td>
<td>82,1%</td>
<td>80,0%</td>
<td>84,4%</td>
</tr>
<tr>
<td>Danish bank loans</td>
<td>11</td>
<td>12</td>
<td>19</td>
<td>10</td>
<td>1</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>44,0%</td>
<td>50,0%</td>
<td>44,2%</td>
<td>35,7%</td>
<td>6,7%</td>
<td>39,3%</td>
</tr>
<tr>
<td>Loans from family</td>
<td>11</td>
<td>9</td>
<td>21</td>
<td>14</td>
<td>9</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>44,0%</td>
<td>37,5%</td>
<td>48,8%</td>
<td>50,0%</td>
<td>60,0%</td>
<td>47,4%</td>
</tr>
<tr>
<td>Loans from friends</td>
<td>9</td>
<td>0</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>36,0%</td>
<td>0,0%</td>
<td>23,3%</td>
<td>21,4%</td>
<td>13,3%</td>
<td>20,0%</td>
</tr>
</tbody>
</table>

(Survey 2003, existing enterprises, multiple responses possible)
Payment under the table

- 78% of immigrant enterprise-owners were met with demands of payments under the table when acquiring the enterprise

- Notice also differences across national origin

<table>
<thead>
<tr>
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<th>China, HK, Taiwan, Vietnam</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not responded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100.0%</td>
</tr>
<tr>
<td>5,0%</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>1,9%</td>
<td>15</td>
<td>13</td>
<td>24</td>
<td>17</td>
<td>12</td>
<td>81</td>
</tr>
<tr>
<td>77,9%</td>
<td></td>
<td>81,3%</td>
<td>72,7%</td>
<td>81,0%</td>
<td>85,7%</td>
<td>21</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>81,3%</td>
<td>72,7%</td>
<td>81,0%</td>
<td>85,7%</td>
<td>77,9%</td>
</tr>
<tr>
<td>75,0%</td>
<td>15</td>
<td>13</td>
<td>24</td>
<td>17</td>
<td>12</td>
<td>81</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>18,8%</td>
<td>24,2%</td>
<td>19,0%</td>
<td>14,3%</td>
<td>20,2%</td>
</tr>
<tr>
<td>20,0%</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>4</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>16</td>
<td>33</td>
<td>21</td>
<td>14</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

(Survey 2003, existing enterprises)
Working undeclared

• 85% of those who made payments under the table now work undeclared

• Compare to those who did not make payments under the table: 43% work undeclared

• Table shows statistically significant relation between working undeclared and having met demands of payments under the table when acquiring the enterprise

(Survey 2003, existing enterprises)
Employees’ choice of finance

Survey among employees who express a wish to become an enterprise-owner:

• Only 25% intend to apply for Danish bank loans
• 91% will rely on loans from family members

(Survey 2003, existing enterprises)
Main Research Results

• When financing the start-up of an enterprise, an immigrant enterprise owner is more likely to rely on his/her own savings or loans from his/her family than obtaining loans from Danish banks.

• 4 out of 5 immigrant enterprise owners have met demands of additional payment under the table when acquiring the enterprise.

• Those who have made payments under the table show a higher propensity to working undeclared.

• Only 25% of the employees, who express a wish to become an enterprise owner, is expecting to use Danish bank loans as a source of finance.
Ethnic Business

Typology of market spaces for immigrant businesses
Ram & Jones

<table>
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Value Added Chain (?)
Inspired by Saxenian’s seminal research this project expands the research frontier both theoretically, empirically and methodologically by rethinking the central research questions in the dominant Argonaut-literature, transpose and examine the dominant finding in the context of the cultural industries (i.e. new types of industries) and to new institutional setting (i.e. China and Denmark) and through a new method (i.e. contrast cases and life story interviews).

The research project is initiated and developed in collaboration with Danish (Roskilde & Aalborg University) and Chinese partners (Prof. Jiangyong Lu, Guanghua, School of Management, Peking University, and Prof. Ying Lowrey, School of Social Science, Tsinghua University).
Transnational Entrepreneurship (TE)

• The process of TE involves the entrepreneurial activities that are carried out in a cross-national context and initiated by actors who are embedded in at least two different social and economic arenas.

• By traveling both physically, and virtually, transnational entrepreneurs engage simultaneously in two or more socially embedded environments, allowing them to maintain critical global relations that enhance their ability to creatively, and logistically maximize their resource base.
Figure 1
CDEs and Other Entrepreneurship Branches

Contemporary Diasporic Entrepreneurs

International
Transnational
Ethnic

Entrepreneurship Space
FIGURE 1

Bourdieu’s Theory of Practice and Proposed Framework

Bourdieu’s Theory of Practice

SOCiETY

Social field (capitals, power relations)

Practice

Habitus (dispositions)

SUBJECT

Proposed extension of Bourdieu’s theory of practice in Transnational Entrepreneurship

Transnational Space

Home country Social field$_1$ (capital, power relations)

Host country Social field$_2$ (capital, power relations)

Bifocality

Transnational Practice

Transnational Habitus (transnational dispositions)

Transnational Entrepreneur
Factors Influencing Transnational Entrepreneurship and Its Outcomes

- **Cultural Factors**
  - (national and ethnic context)

- **Institutional Factors**
  - (origin, location, rules practices)

- **Structural Factors**
  - (competitive environment)

- **Transnational Entrepreneur’s Resources and Individual Decisions**

- **Organizational Field**

- **Individual Outcomes**

- **Social Outcomes**

- **Daily Practices Involved in Creating and Building a New Business**

Sino-Danish Brain Circulation - Chinese Genetics PhD and Postdoc in Denmark

• Yonglun Luo (Alun)
• Postdoc, MSc, Ph.D
• STAR Postdoc at Novo Nordisk A/S, Denmark
• Postdoc hosted by the Department of Biomedicine, Aarhus University, Denmark;
• Postdoc hosted by the Gene Center, Ludwig Maximilians University (LMU) Munich, Germany
Came to AU in 2008

Attracted by:

new Tech

new platform

Collaboration exchange

Danish Genetically Modified Animal Resource

Genetically modified animals are an essential tool to explore molecular mechanisms in the body and for innovating therapeutic and diagnostic strategies to combat disease. The national core facility DAGMAR produces cutting-edge transgenic animal models in zebrafish, mice and pigs to collaborating research environments across the country.

The unification of the described resources in a single infrastructure will enable collaborating academic and industrial researchers to study for more aspects of gene function than has previously been possible using a single species. Because no animal model is ideal for studying all aspects of gene function, we envision that the flexibility to choose the most suitable animal system for each biological question will greatly speed up bench-to-bedside research from initial screening of gene function through understanding of the involved molecular mechanisms to innovation and testing of novel therapeutic strategies in preclinical studies.

The production facility is mainly located at the University of Aarhus with essential contributions from the University of Copenhagen. It is the only national source of transgenic zebrafish and minipigs, and the only facility providing transgenic mice nationwide.

DAGMAR was made possible by a 30 mio DKK grant from the Danish National Research Infrastructures Programme.
Road to Denmark for a PhD Education
• Prof. YANG Huanming. Director of BGI, China.
• Former supervisor for Yonglun Luo master and co-supervisor for PhD study
• CAS
Prof. Lars Bolund at AU and scientific advisor at BGI, China.
Former supervisor Yonglun Luo PhD study and co-supervisor for current postdoc project
Remarks for Lars Bolund in Sino-Danish brain circulation

• Establish long-term, (27 years), collaboration between Denmark and China in many areas: genomics, genetics, bioinformatics, cancer, diabetes, evolution, etc.

• Have trained and supervised over 15 Chinese PhD students, most of them are now working in China and act as a key bridge for the ongoing Sino-Danish collaboration, including Prof. Yang.

• Raising enormous funds for Sino-Danish research.

• BGI-EU headquarter established in Copenhagen.

• Danish PhDs and Postdocs now trained in BGI, China.

• Received the Chinese Friendship Award in 2009.
Where Should Yonglun Luo (Alun) go?

- CN
- DK
- ....
• **RQ1:** What determines if Diaspora members become transnational entrepreneurs within the domain of cultural industries? How do the determinants differ from those identified in the conventional ICT-based transnational entrepreneurial research?

• **RQ2:** What determines the locational choices for the entrepreneurial activities of the transnational entrepreneurs (in cultural industries)? How do the locational determinants differ from those identified in the US-centered research?
BEYOND THE CONVENTIONAL ARGONAUTS EXPLANATIONS: EXPLORING THE RELEVANCY OF TRANSNATIONAL ENTREPRENEURSHIP IN CULTURAL INDUSTRIES IN DENMARK AND CHINA

Contrast Study of Transnational Entrepreneurship in Cultural Industries

Research Question 1 + 2

Denmark

China

Cultural Industry

Cultural Industry

Visual Media

Gastro-tourism

Visual Media

Gastro-tourism

Technology-driven

Non-technology-driven

Technology-driven

Non-technology-driven

Comparison of two cultural industries with different technology profiles and of two countries with different institutional settings

Isolating the importance of technology-savvyness for transnational entrepreneurship and the importance of institutions for the importance of transnational entrepreneurship
Beyond the Conventional Argonauts Explanations: Exploring the Relevancy of Transnational Entrepreneurship in Cultural Industries in Denmark and China

• Methodological approach
Conclusion 1

Transnational entrepreneurs enhance the international trade of all countries.

bi-cultural, spoke and hub organization, international networks, enforceable trust, prompt perception of opportunity conditions
Conclusion 2

• The study focused on the role of bifocality – the degree to which a TE focuses on two different institutional settings – in enhancing TE activities.

• We found that entrepreneurs with greater levels of balance in bifocality engage in greater levels of transnational entrepreneurial activities.

• Deriving equal balance could be crucial along all dimensions. Expanding the logic of Bourdieu’s framework on performance to dual habitus, entrepreneurs must first be able to operate in dual habitus and develop social networks, and then derive power in a transnational field to engage in enhanced TE activities.

• Policy-makers could focus on similar sequences of logic in order to encourage transnational entrepreneurship among present and future immigrants.
End

Thanks for your attention.

SHRE@RUC.DK